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FINANCIAL TIMES

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NEWS SUMMARY

Equities rise 9.4; gilts in demand

EQUITIES rose strongly on good demand. The FT 30-Share Index gained 9.4 to close at 463.6, the highest since June 1973. The index has advanced 35.6 over the past five trading days.

GILTS attracted a larger share of business than lately and closed with gains to 3. The FT Government Securities Index rose 0.21 to 69.68.

STERLING edged up 2 points to close at \$1.759, while its trade-weighted index was up 0.27 to \$1.73. Dollar's trade-weighted depreciation widened to -1.11 (1.04) per cent.

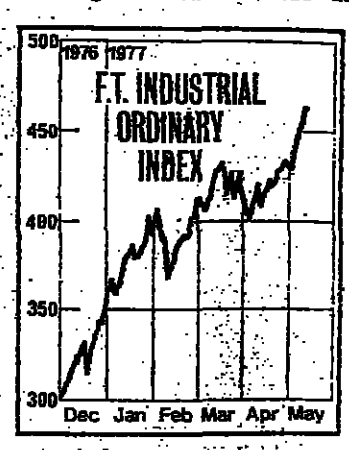
GOLD rose 50c to \$147.875.

WALL STREET was up 4.07 to 137.16 near the close.

U.S. TREASURY Bill rates: Three 4.32 (4.507); Six 5.11 (5.062) per cent.

Quebec Hydro's proposed \$500 million issue has been postponed indefinitely. Page 26

FRENCH unions have called a general strike on May 24. Page 4



ad cuts relaxed

moratorium on trunk road... The Government is relaxing its ban on large trawlers... The Icelandic Fisheries... The Government is relaxing its ban on large trawlers... The Icelandic Fisheries... The Government is relaxing its ban on large trawlers... The Icelandic Fisheries...

ing limit

ish Government is refusing... The Government is refusing... The Government is refusing... The Government is refusing... The Government is refusing...

ops blamed

Roman Catholic Bishop... The Bishop is blaming... The Bishop is blaming... The Bishop is blaming... The Bishop is blaming...

Leyland verdict expected soon

INDUSTRY Secretary, Mr. Eric Varley, hopes to deliver the Government's verdict on Leyland's revised plans within the next three weeks. The Government appears to be impressed by the need for Leyland Cars to resume its investment programme as soon as possible.

rgo ban

German company, whose... The company is banned... The company is banned... The company is banned... The company is banned...

gs stolen

eggs of the osprey, one of... The eggs were stolen... The eggs were stolen... The eggs were stolen... The eggs were stolen...

effly...

20 Stradivarius violins, once... The violins were sold... The violins were sold... The violins were sold... The violins were sold...

COMPANIES

UNILEVER recorded pre-tax profit of £129.2m. (£133.3m.) in the first quarter. Excluding the effect of a reduction in shareholding in UAC of Nigeria, profit was up 6 per cent. Page 24 and Lex

RICHARD COSTAIN earned record pre-tax profit of £23.31m. (£13.1m.) in 1976. Page 23 and Lex

EF PRICE CHANGES YESTERDAY

in pence unless otherwise indicated

Lucas Inds.	275	+ 8
Marley	72	+ 7
Midland Bank	288	+ 8
More O'Ferrall	39	+ 4
Ocean Transport	187	+ 7
Essex Finance	136	+ 10
Royal Worcester	136	+ 10
Staveley Inds.	233	+ 7
Storey Bros.	110	+ 28
Tube Inv.	430	+ 14
Charter Cons.	141	+ 5
Cons. Gold Fields	161	+ 5
Hampton Areas	100	+ 5
Faringa	100	+ 5
RITZ	242	+ 6

FALLS

Kwikfit	82	- 8
RFD	411	- 2
Warren Plants	139	- 8

Carter gives Russia a year to show détente intentions

BY MALCOLM RUTHERFORD

President Carter has given the Russians a time limit of one year in which to show that they are serious about détente.

That, in effect, is the main message to emerge from his address to the NATO summit meeting in London yesterday. It is likely to be broadly endorsed in a final communiqué to be published today.

The President also delighted his European allies by going further than any other U.S. leader in giving assurances that the U.S. would seek opportunities to buy defence equipment in Europe, thus creating a more equal flow in transatlantic arms deals.

There was relief among the Europeans that there was no specific call for increased defence expenditure, though that was the clear implication of Mr. Carter's remarks, especially if there is no early progress on détente.

Mr. Carter called for establishment of two high-level reviews, both to be completed by this time next year, when there is expected to be another Summit meeting in Washington.

The first is to be undertaken by the Nato Council assisted by outside experts, would assess future trends in the Soviet Union and Eastern Europe, as well as East-West relations, and analyse their implications for the Atlantic Alliance.

The second, by Defence Ministers, would produce the outline of a long-term defence programme "to strengthen," in the President's words, "the alliance's deterrence and defence in the 1980s."

Both proposals were warmly welcomed by the other delegates. The significance of the one-year deadline is that it should be clear by then whether there has been progress in the Strategic Arms Limitation Talks (SALT), in the negotiations on East-West forces cuts in Vienna, and implementation of the final act of the European Security Conference, the preparatory review of which begins in Belgium next month.

Mr. Carter left no doubt that if such progress was not achieved, the Nato allies would make further major efforts in the defence field.

"Let me make it clear," he said, "that our first preference is for early agreement with the Soviet Union on mutual and balanced force reductions. Failing to reach this agreement, our military strength must be maintained."

The crucial economic conditions, he went on, set practical limits to allied defence spending. The alliance must therefore use limited resources wisely. There were three particular areas in which this could be done.

1—More effective coordination of national programmes.

2—Finding better ways of introducing new technologies into the armed forces.

3—Giving higher priority to increasing combat readiness.

The Defence Ministers begin their work on the long-term defence programme at their regular spring meeting in Brussels next week. They will produce an interim report for their meeting in December and recommendations for action at the Washington summit next May.

Mr. Carter hopes for more concrete action earlier. "I hope," he said, "that the Defence administrators will agree next week to make high priority improvements in the capabilities of our forces over the next year."

These are understood to include new anti-tank weapons, increased readiness, and storage of more defence equipment in forward areas.

Of defence procurement and the question of the "two-way street" in transatlantic arms trade, he showed a clear awareness of European sensitivities. He specifically praised the work of the European Programme Group, a body set up outside the NATO framework 18 months ago in order to include France.

"The U.S.," he said, "must be willing to promote genuinely two-way transatlantic trade in defence equipment. I have instructed the Secretary of Defence to seek increased opportunities to buy European defence equipment where it would mean more efficient use of allied resources."

Mr. Carter called for improved co-operation in development and production of equipment between Europe and North America. This, he said, "is essential to the success of our defence programme."

Continued on Back Page
Text of Carter's statement, Page 5

Credit card probe likely

BY ELINOR GOODMAN

CREDIT cards are expected to be referred to the Monopolies Commission by the Office of Fair Trading in the next few months. The investigation will concentrate on the credit card companies' relations with their retail customers.

It will be aimed at ensuring that the big credit card operators—Access, Barclaycard, American Express and Diners' Club—are not exploiting their dominance of the market by laying down terms of trading which are detrimental to consumers, particularly to those paying by cash.

The Office of Fair Trading is apparently concerned that cash customers might be subsidising credit card customers and cash prices be artificially high because of the actions of the credit card companies.

The reference follows a long dispute between the credit card companies and the petrol stations over whether customers paying for petrol on credit cards are entitled to the same discount as those paying cash.

The credit card companies charge retailers a commission on sales. In the case of petrol this is about 3 per cent. The petrol stations have argued that they cannot afford to give credit card users a discount on petrol as well as paying the companies commission.

Both Access—which is owned by the clearing banks Midlands, Lloyds and National Westminster—and Barclaycard have insisted that credit card customers should not be asked to pay any more at the pump than cash customers.

Until the two British card companies, American Express permits its garage customers to operate two price structures for cash and credit customers. As a result of this more flexible policy American Express is believed to have picked up some of the garage customers dropped by the British companies because of their insistence on one price.

Bus driver shot dead in Ulster

BY ROY HODSON IN NORTHERN IRELAND

INTIMIDATION of Northern Ireland's workers took an ugly turn yesterday with the murder of a bus driver.

Ulster heard on radio and television that the Rev. Ian Paisley, Mr. Ernest Baird and 10 other supporters of the United Ulster Action Council general strike had been briefly arrested during a demonstration in the country town of Ballymena.

A few hours later, a bus driver was shot in his cab on a Belfast street. The police believe it was the work of a Loyalist intimidation gang.

The bus driver was shot between the eyes and later died in hospital after a youth boarded his bus and opened fire.

There were two shots. A 79-year-old passenger was the only other person injured. He was shot in the hand.

The gunman boarded the bus at a regular bus stop on the Crumlin Road, near the heart of a strongly Protestant area. Inquiries so far do not suggest that it might have been action by IRA terrorists.

Another driver was shot and wounded two days earlier at the same bus stop. A few streets away, another driver was wounded at about the same time, when a petrol bomb was thrown into his cab. Both men are recovering from their injuries. Two men were detained in a Protestant district in Belfast in connection with the Sunday bomb attack.

Busmen held an angry meeting outside the City Hall last night on hearing of the death of their colleague and withdrew services in the middle of the evening rush hour. It was planned to halt all bus services in the protest for 24 hours from midnight, as a protest.

The arrest of Mr. Paisley and Mr. Baird and their detention for two hours sent a wave of speculation through the province, as people tried to assess whether the development would hasten the end of the Loyalist strike or cause it to be pursued even more bitterly by extremists using violence.

Money supply grows, but remains within target

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE MONEY supply has shown a significant increase for the first time since last autumn, though the total for the year ended last month, is likely to have been comfortably below the lower end of the target range for 1976-77.

This is suggested by the banking figures for the five weeks to April 20, published today.

They also provide a tentative indication of slight pick-up in bank advances, though the clearers still report almost no increase in demand for loans from industry.

The best guide is provided by the eligible liabilities of the banking system as a whole, a major component of the broadly defined money supply (M3).

These rose by 21 per cent to £35.84bn, still however, below the mid-January total after the falls in the intervening months when money supply dropped.

The increase in liabilities points to a rise in sterling M3 of well over 1 per cent, and possibly about 2 per cent, in the period.

However, sterling M3 only rose by 0.25 per cent in the first 11 months of the banking year and so is still likely to be well below the range of 8 to 13 per cent projected by the Government for the year to mid-April. The same target applies in 1977-78.

The rise in monetary growth reflects in particular a large inflow of currency into the J.K. from abroad around the time of the budget in late March, a large borrowing requirement, and a slight pick-up in bank lending.

At the same time, Government sales of gilt-edged stock outside the banking sector were low during the period, and this was only partly offset by the inflow into National Savings Certificates.

The impact of gilt-edged sales is difficult to assess at present, since in the banking month to coming months with receipts due from the partly-paid bonds, while the inflow from abroad may be smaller—both factors checking the growth in money supply.

The figures for the whole banking system, published by the Bank of England, also show that the so-called corset controls are not applying a tight squeeze.

Customers have there, a large part on the growth of the banks' interest bearing liability over the six months to the average of February, March and April.

At the first penalty date, the banking system is about 5 per cent below the permitted ceiling, and the London clearers are a roughly similar percentage below (£541m). Some smaller banks are thought likely to face penalties under the scheme.

An amount of 2 per cent happens after June when the present scheme ends is likely to be reached yet, though a continuation of the scheme in some form is possible if the Government wants to retain the impression of a firm monetary stance.

The trend of banking lending is difficult to assess at present, since in the banking month to coming months with receipts due from the partly-paid bonds, while the inflow from abroad may be smaller—both factors checking the growth in money supply.

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Bread report

THE MONOPOLIES Commission, which has made a four-year study of the bread market, is not believed to have recommended any big changes to the structure of the industry. It is expected to publish its report by the summer. Page 14.

credit card customers and cash prices be artificially high because of the actions of the credit card companies.

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Working

Trade union leaders are optimistic that power supplies will be maintained and employers' organisations say that as long as the situation does not change over power, they will not have any major production problems.

Alternative transport arrangements are minimising the effect of the Larne stoppage. Much cross-channel traffic is going through the port of Belfast, where yesterday 16 ships were being worked.

Mr. Paisley has twice gone to prison in Northern Ireland for offences concerning demonstrations on the street. After leading a march through a Catholic area of Belfast in 1966, he was charged with unlawful assembly. On refusing to be bound over to keep the peace for two years, he was sent to prison for three months.

In 1969 he was jailed for three months for unlawful assembly in Armaah. But he was released almost immediately because of a general amnesty for people involved in civil disturbances.

Picture, Page 16

Appeal

Both the strike leaders had made publicity for a rights campaign last night when they appeared on regional television, protesting against their arrests by the Royal Ulster Constabulary. They called upon people to obey the strike call and said the strike would go on.

Mr. Roy Mason, Ulster Secretary, meanwhile accused Mr. Paisley of deliberately engineering the arrests to gain "cheap publicity and sympathy as a martyr."

Mr. Mason said: "To-day a

Burton cuts to cost 1,430 jobs

BY RHYD DAVID, NORTHERN CORRESPONDENT

A SEVERE reduction of its manufacturing facilities involving the loss of 1,430 jobs in the North of England has been ordered by the Burton Group, where a new management team took over at the end of last year.

The company, badly hit by the decline in demand for traditional made-to-measure suits and the switch to more casual clothes among men, will be dismissing 1,430 jobs at its main base in Leeds.

This will become largely an administration, transport and services centre, with only limited manufacturing.

Another 650 people will lose their jobs at Warrington, Lancs. The remaining 50 jobs will be lost at Walkden and Bolton, also in Lancs.

The effect will be to reduce Burton's labour force, trimmed during the past two years because of the textile recession by a further 25 per cent to 3,700.

Production will be concentrated at five centres—Guisborough, Cleveland (428), Goole, Humberside (470), Doncaster, S. Yorks. (740), Walkden (770), and Bolton (730), with the remainder at Leeds.

In addition to head office functions, some cutting operations and a small unit making waistcoats will be retained there.

The reduction follows similar cuts by other manufacturers over the past year, including UDS (Burton's main High Street rival in the mass men's wear market).

Marking to Burton's, which claims about 15 per cent of the total U.K. suit market, demand has fallen from around 9m. units per year three years ago to about 7m. at present, with the last 18 months seeing a particularly sharp decline.

Customers have continued to move away from made-to-measure suits which in the early 1970s accounted for about 70 per cent of Burton's suit sales, but which now represent only about 40 per cent.

Burton's says it has been left with 30 per cent more capacity than it needs. It admits that losses on manufacturing are running at more than £1m. last year, have been ahead of that figure this year.

The closures which follow a review by the new management team headed by Mr. Cyril Spencer, managing director, result partly from Burton's belief that a much greater share of the market could be retained by made-to-measure.

The group had adapted some factories, such as its Doncaster plant, for production of ready-made suits, but has failed to secure the necessary changes in time at some of its older established plants, particularly at Leeds.

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Paris—Orangerie/Bibliothèque Nationale

Henry Moore

by WILLIAM PACKER

The French, with something rather less than their customary scepticism, have lately taken to acknowledging at least the possibility that we may actually produce from time to time an artist of real quality and distinction.

It is not exactly that they have allowed the idea to run away with them; the English contribution to the art of the twentieth century, for example, is acquired for its national gallery, set out in the extraordinary Centre Georges Pompidou by a handful of different and for the most part very recent works by all of six men. But for all that, within the past few years we have seen certain exhibitions of English work in particular by Francis Bacon and David Hockney, that have been most generously received in Paris, the latest by Bacon closing only a month or so ago.

Now it is Henry Moore's turn to be so feted, who must be at once the most successful and most widely celebrated of English artists, and the most distinguished of living sculptors. He is being paid the considerable compliment by his hosts, with the discreet but substantial help of the British Council, of having two exhibitions devoted to him, which cover all aspects of his life's work: at the Bibliothèque Nationale, where all his prints are to be seen, and at the Orangerie des Tuileries, which, with the terraces around it, is to remain full of his sculpture and drawings until the end of August.

Moore is hardly a controversial figure, except to those to whom sculpture with holes through it is still a good joke, but the safe choice is not necessarily to be disparaged, and there is no doubt that he fully deserves the honour. In England, however, within the community of the art world itself, his celebrity is of such long standing, his work so familiar and attitudes towards it so set, that we are inclined perhaps to take everything about him too much for granted.

In Moore's case, the problem is aggravated by the very nature of his work, which has shown a

Television

The sorry state of politics

by CHRIS DUNKLEY

The first cartoon in Bernard Hollowood's book *Scuzzle And Other Papers* shows two men in front of a BBC microphone. One wears a benevolent and rather smug smile as he listens to the other who, with a pitifully weak expression, is saying: "Yes, yes, of course—I see now that I've been holding the wrong political views all these years."

This makes us laugh (at least, it makes me laugh) because it both encapsulates and punctures the inflated assumptions of so many political programmes: the assumption that the participatory system of studio discussion leads to agreement rather than polarisation; the assumption that there are "right" and "wrong" answers to political problems; the assumption that consensus Royal conversions can and do happen to politicians and that they will publicly declare the mending of their ways.

Perhaps the most poignant fact, however, is that the book was published in 1948 and that the

series about prime ministers presented by Professor David Dilks, who has so far dealt with Lloyd George, Ramsay MacDonald and Stanley Baldwin. The BBC apparently has its own definition of "New."

The most interesting aspect of the series might have been its use of archive film, but the selections seem to have been made with a bias in favour of narrowly boring crowd scenes. The most interesting aspect is actually that Prof. Dilks was originally asked by Yorkshire TV to work on a history series about British prime ministers and that this went by the board when ITV set up a deal with David Frost and Sir Harold Wilson for a 13-part series in which Wilson examines the lives of 19 British prime ministers from Walpole to those at Lime Grove are either going to have to keep Scotland's offerings of the air or look to their laurels because this programme, produced by Marcus Davidson, looked like real, live, adult, analytical, political reporting and from the BBC we are not used to that.

All we (and by "we" I mean the addressee) are used to are those occasions during election programmes when, in the early hours of the morning, a discussion of real interest and, if you are lucky, real passion develops. Occasionally politicians can even be heard not scoring petty party points.

In ITV's *By Election Special* on the night of the Grimby and Ashfield polls, Joel Barnett said: "They've done it, we've all done it; in opposition we build up in the electorate expectations which we simply cannot fulfil." Imagine candour of that sort at 8.30.

Over on BBC 1, between bouts of Robin Day's increasingly embarrassing cigar-smoker's cough, Liberal Alan Beith asked Roy Hattersley why he and the Labour Party had not included fishing limits in the EEC renegotiation schedule, and Hattersley replied: "You have a very strong point there. In retrospect you are right. We should have done it."

At the centre of the difficult relationship between politics and television lie not differences but similarities. Politics is concerned with international affairs, with problems of education, employment, prices, medical care, with men's inhumanity to man—and so is television. Politicians and current affairs broadcasters do not misunderstand one another, they understand one another all too well. Their interests are not divergent but convergent, often identical, even if they express those interests in different ways on different fronts.

It was no surprise to see YTV's Austin Mitchell standing for Parliament (some of us even put money on him). Among MPs there have sometimes been more members of the National Union of Journalists than of any other union.

For politicians the problem is that in the last 20 years television has grown into such a hugely popular and (supposedly) influential phenomenon, while politicians and politicians have (supposedly) declined in popular esteem. Whether this is so or not (probably not) the answer is surely in the politicians' hands: invite the cameras into Parliament. It is in everybody's interest—broadcaster, viewer, and particularly politician—and should have happened long ago.

Then we might expect occasional programmes that actually would make changes in the political views of the audience.



The Entertainment Guide is on Page 36

men are clearly supposed to be in a radio rather than a TV studio. Plus ça change.

To-day we no more expect political programmes to change the ideas of the participants or the audience than Hollowood did 30 years ago. Last week one FT reader wrote and pointed out that on BBC2 the recent spate of Party Political Broadcasts had been transmitted immediately after *Monty Python* and Spike Milligan's *OO* and that the PPPBs looked just like a continuation.

Such amused contempt is a common reaction to these programmes, and even politicians have admitted for years that they serve almost solely as a rallying call to constituency party faithful.

For other viewers they have just two attractions. First they provide collectors' items of telly at its most absurd. In last week's Conservative PPP for instance Mrs. Thatcher sat on one side of a vast memorial fireplace, her conversation partner miles away on the other, and—like amateur night at the film club—the camera dwelled on the acreage in between. In Labour's *The Papers Say* partyche, John Torode played Oxfordshire County Council's chairman for his Labour policies and then the Press revealed the man to be a Conservative. Howlers of that sort are an improvement on most TV comedy.

The second attraction is negative and hypothetical. Many broadcasters argue that if this little ration of time were not handed out by the BBC and ITV voluntarily to politicians to use as they see fit, sooner or later the Government of the day would make access to the medium a statutory right thereby inserting the end of a very nasty wedge.

Better to give away the time, runs this argument, even when it means 10 minutes' simultaneity on all channels, than have goodness-knows what lengths of time taken away. (The Conservatives, to their credit, no longer insist upon simultaneous transmission.)

It is, perhaps, hardly surprising that politicians are not very good at making television programmes. The surprise is that when it comes to politics, the broadcasters don't seem much interested either. There are rare exceptions (notably Granada's periodic *State Of The Nation* productions, admirable



The Merchant of Venice

ANTHONY THORNCROFT

The problem with *The Merchant of Venice* is that, apart from Shylock and Portia, the characters are faceless. In addition, the playing of Shylock is a problem. Fashion—swinging very straight production between portraying him as the very Devil and as a pitiable victim who really does bleed when pricked.

George Hurcell staged a middle course, stressing, quite credibly, the Jewishness of the moneylender. Indeed, with an enlarged nose and heavy accent he threatened to overwhelm the play with the strangeness of his characterisation. Fortunately Anna Carteret was an equally forceful Portia and the trial scene produced the sparks absent in the early stages.

The more dynamic roles generally promised—the best of them—James Hayes was a lively and loquacious Gratiano; Elvi Hale acted Nerissa for all she is worth, and more, while Ronnie Stevens, as Antonio, the merchant whose goodness knows no bounds and compass all the noble, belligerently noble. Indeed, the acting was uniformly competent.

It was pleasant to see Shylock in the casket scene as performed without gimmick, and although this is but Antonio's imminent scarcity a production that will be remembered for its bond of flesh, and the fact that two downfalls could not be viewed dispassionately.



Henry Moore: Mother and Child (1932)

remarkable consistency throughout his career, so that at times it is all but impossible to say whether a carving was made in the 1930s or the 1960s.

It is not to say that there has been no development, but rather that, with such steady progress, in particular with the half-reclining female figure and its curious, abstracted assistance with the landscape, which has led him constantly to total abstraction without ever abandoning a human reference or sympathy, there is a density, a bottom to the work, which unifies and secures it. We may look at the life drawings he made as a young man, statuesque, certain, romantic images, and see in them the essence of every sculpture he has ever made. This is a source of great strength; but it does encourage in the onlooker the sense that he has seen it all before.

To find the Orangerie full of the substance of his achievement, which is to say the sculpture and the drawing that relates directly to his activity as a sculptor, the work in fact on

acolyte, and he has remained one of the masters of surrealism to this day, a peculiarly gentle and reflective surrealism that happily accommodates the other strains in his art, the classical, the primitive and the archaic.

To-day he is an isolated figure, for subsequent generations have moved on to new territory, benefiting enormously from the bridgehead he and his peers established for them to work from, but leaving at last. He is the head of no identifiable school, and may seem to many a grand old man certainly, but old-fashioned and out-of-date.

The show at the Bibliothèque, however, is less enthralling, though well arranged and executed. Moore's work is less distinguished, though no less confident, than the sculptor, and the distinction gives one pause, even before some of the drawings back at the Orangerie. For the great drawings are those which inform a sculptural purpose or potential interest, and where these are absent a certain slackness intervenes.

Sell-Out

by JEREMY KINGSTON

a sad reflection on the or something of that sort. Watch our political theatre, the party leaders, they betray its immature faith, from *Scuzzle* in the name of the Library Theatre. This would be considered, worth a make perfectly satisfactory before a wider, adult theatre, if the production were the show is sprightly, not so stupidly blinkered. Any and brightly lit and not style—that uses naturalism for a young and unobjectionably the poor, caricatures for the rich. Several jokes—made sense up by trivialising every group in society.

The show opened hopefully represented caricatures as bankers as nannies, and boomtime tap-dancing under politicians as every kind of arches of red, white and blue or snobbish incompetent, lamps. Some suicides followed, which it need hardly be said, and a procession of the is never represented as singing some deft lyrics about things, pawing jackets, the change from keeping dead-ten from arthritis. They lines, to forming breadlines. A quiet dignity, often in light to signify Beethoven's Ninth, or a solemn and attempts to parallel the present. (Unemployment on the 1931 sell-out but all is grist to the pamphleteer's mill, message is No Surrender.

Bartok Trio

name is intriguing. Why a violinist and a pianist, all from Barcelona, an ensemble the Bartok Trio. It is the same somewhat terrible motives to express passion for Bartok's, written for their company, the *Contrasts* of 1933? *Contrasts* is admittedly to make the connection still, perhaps the Trio *Contrasts* in every part. They played it at their debut on Monday: a good account, done with familiarity and pleasure, without a great deal of marking or careful shading.

are a friendly, well-group—ideally perhaps, impossibly at home in a more informal venue than a concert hall. Enthusiasm ever their better part: a fine whirlwind of a "Sebas" dance Tango in the suite from Stravinsky's *L'Histoire du Soldat*—the whole was delivered with more energy and enthusiasm (though, and as the violinist changed his instrument for an alarmingly hungry-toned viola, a nice spring to the allegretto of that godsend for repertory hungry violists and clarinetists, Mozart's E flat trio K368. For good measure, the Bartok Trio also gave us a soulful, quasi-serial essay in one short movement, threaded with some attractive autumnal colours, by the Spanish composer Joaquín Homs.

Les Sylphides

The best qualities of Festival Ballet's new version of *Les Sylphides* are those that illuminated the dancing of its producer, Dame Alicia Markova; musicality and an unerring sense of style. One could not hope for the exquisite presence of Markova herself again—that clarity in step, and the beautiful way a phrase could aspire, then melt deliciously into a pause before the dance took off again, used to be traditional *Sylphides* waltz, uniquely here—but the choreographic text looks clean and fresh in impulse, and it lies Markova's coaching.

Mention must be made of Kenneth MacCombie's appearance in last night's programme. In the programme note, after years of taking over a part so closely associated with the glamorous presence of the late Paul Clarke, Mr. MacCombie has given an interpretation of great sensitivity and a kind of physical honesty that makes the *Prologue* character, it is a fine and touching performance.

Have your car made on page 21

This announcement appears as a matter of record only.

THE KINGDOM OF SPAIN

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EUROPEAN NEWS

French general strike called

BY DAVID CURRY

Concern on EEC coal policy

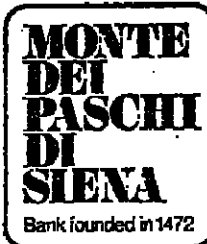
The European Community coal producers' organisation yesterday expressed concern in a London meeting at lack of progress towards adopting a policy to ensure that European industry can contribute fully to the region's energy supplies by the mid-1980s...

IN WHAT one of their leaders is describing as "action without precedent in 20 years," the four most powerful French unions have called a general strike in both private and public sectors for May 24.

The participation of the FO, which is unlikely to play a leading role in the marches and demonstrations which will accompany the protest, is nonetheless a blow to the Government. The union has previously been reluctant to take general strike action...

Other unions have said that they want to force the Government to negotiate and to change its approach to the economic crisis rather than to topple it.

cent. for the CFDT and 10 per cent for FO. The latter has emerged as the union in the banking and finance field. The FO claims 20 per cent of civil service union members (which is more than a third because of unorganised membership which gives it an important role in determining the success of strikes in the capital).



PUBLIC LAW CREDIT INSTITUTION

Reserve Funds (Bank and Special Credit Sections) as of December 31, 1976, Lire 266,071,384,602

Head Office: SIENA—380 Branches in Italy

Statement of Accounts at end 1976

On April 27th, 1977 the Board of Directors approved the Balance Sheet as at December 31st, 1976 of the Bank and its Special Credit Sections after listening to the reports of the Chairman, Mr. D. Vazzoli, and the Chief Executive and General Manager, Mr. G. Cresti, respectively dealing with the economic topics of 1976 and the bank's activity during the year under review.

Table with 3 columns: 1975, 1976, INCREASE %. Rows include Deposits and Bonds, Cashier's Cheques, Sundry Deposits, Reserve Funds, TOTAL FUNDS AVAILABLE, Loans, Central Bank, Correspondent Banks, Sundry Investments, TOTAL LOANS AND INVESTMENTS, Contra Accounts.

The Bank's aggregate net profit for 1976 amounts to Lire 6,404,539,545 half of which is appropriated to the reserve funds that rise to Lire 266,071,384,602, and the remaining half to charities, welfare, etc. in compliance with the provisions with the Bank's charter.

The consolidated figures for the Monte dei Paschi di Siena Group which includes Banca Toscana Spa, Florence and Credito Lombardo Spa, Milan are: Total Deposits Lire 9,825.9 billion Total Loans Lire 6,533.1 billion

Polish challenge

Human rights campaigners challenged the Polish authorities yesterday after the death in Cracow on May 7 of a student who helped to organise a protest campaign against alleged police brutality, UPI reports from Warsaw.

Fiat strike over

Production in the Fiat factory of Rivalta was fully resumed yesterday after 22 workers, whose wildcat strike had halted activities in the painting division leading to the lay-offs of 4,500 workers on Monday, suspended their action, AP-DJ reports from Turin.

Swiss surplus

The Swiss National Bank said yesterday that first estimates of the country's 1976 current account balance of payments surplus put it around Sw.Frs. 8.5bn. compared with Sw.Frs. 6.5bn. in 1975, Reuter reports from Zurich.

Comecon debts

In the feature on Comecon debts published on Page 32 on May 5, the table was erroneously attributed to Richard Pipes. The figures were in fact prepared by Richard Portes of Birkbeck College, University of London.

THE OECD

Between unions and multinationals

BY A. H. HERMANN, LEGAL CORRESPONDENT

RELUCTANTLY, the OECD and was subsequently declared bankrupt, was left with the Committee on International Investment and Multinational Enterprises (IIME) is becoming a forum if not for settlement of disputes between multinational firms and trade unions. This is a rather unexpected sequel of the voluntary code of conduct adopted by the OECD last June.

and was subsequently declared bankrupt, was left with the Committee on International Investment and Multinational Enterprises (IIME) is becoming a forum if not for settlement of disputes between multinational firms and trade unions.

Refused

The IIME refused to deal with this specific dispute but agreed to take up the fundamental question of responsibility of foreign parent for its local subsidiary. The claim against the parent company has some basis in that part of the OECD guidelines, including arbitration, companies and local subsidiaries of multinational corporations should feel bound by the guidelines in accordance with the actual distribution of responsibilities between them and to cooperate in application of the guidelines.

The IIME refused to deal with this specific dispute but agreed to take up the fundamental question of responsibility of foreign parent for its local subsidiary.

The first of the three cases now pending before the Committee has an interesting history in the European Parliament. It is the case of Hertz, the U.S. car rental firm, which got involved in a dispute with Danish trade unions. It began when the Danish office of Hertz refused a 20 per cent wage increase demanded by its employees and, when its staff went on strike, replaced them by workers from other EEC countries.

Delayed

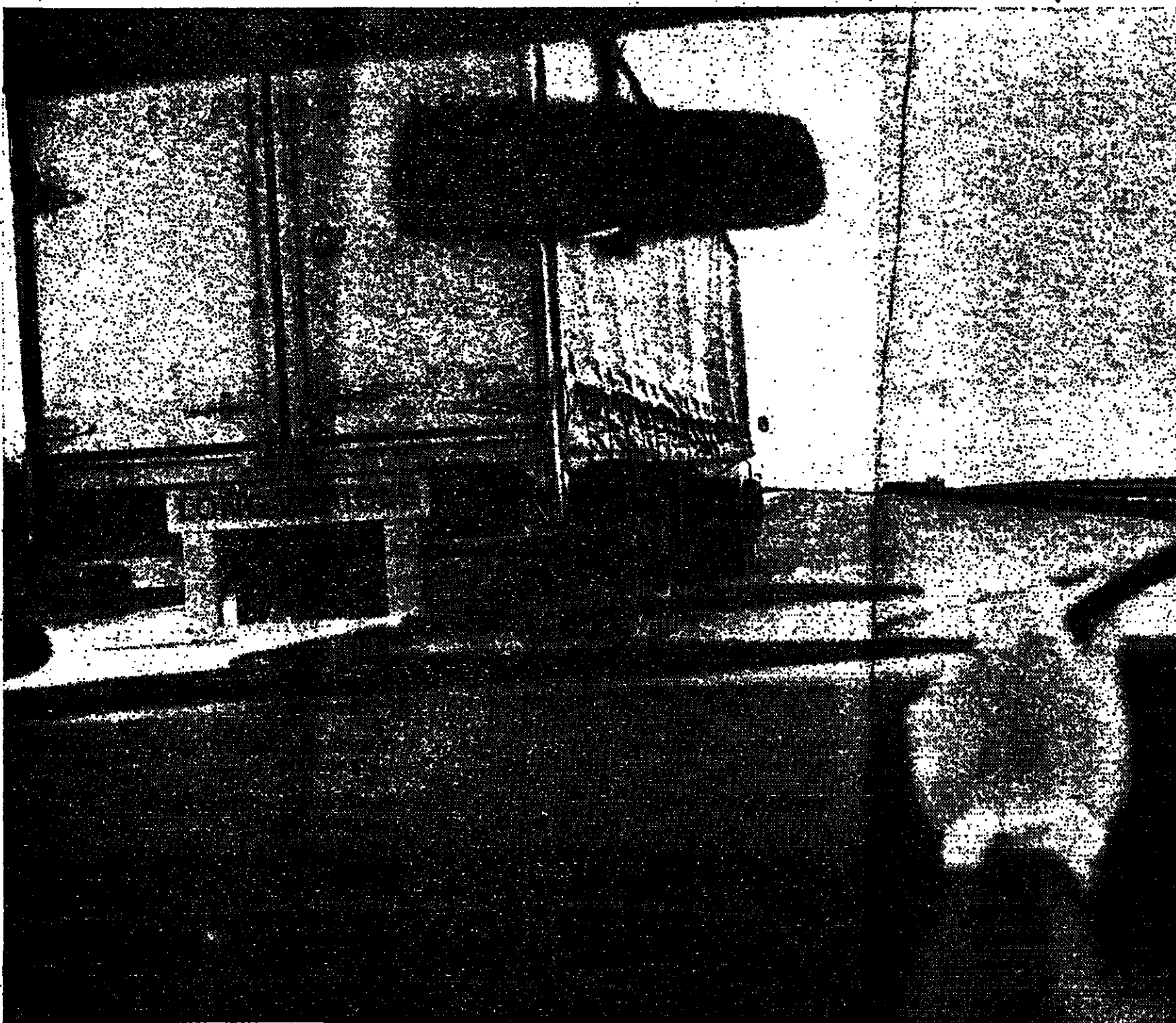
Hertz defended its action with reference to the EEC Treaty guarantee of free movement of workers within the Community, but this argument proved to be a delayed action bomb. After Hertz and its Danish employees reached a wage agreement, the "free movement of workers" argument triggered off a resolution adopted by the European Parliament protesting against the abuse of the principle of free movement of labour.

The second case, which attracted some attention recently, concerns 241 employees of Rader-Belgium, an affiliate of the U.S. company of the same name. The Belgian Company, which closed down in January

Advertisement for Port La Galeri on the Riviera. Features: International people are discreetly choosing PORT LA GALERI on the Riviera. A unique village perfectly sited. In 60 acres of fragrant pine-lands and gardens on the sea's edge looking out over the Bay of Cannes. The property includes 2 club houses, 2 swimming pools, several beaches, a 180-berth private harbour. Fishing, sailing, water skiing, diving and many other sports are available. And with many other services for a carefree and leisurely life.

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It's surprising how many cars on the road are frustratingly under-powered. Quick reliable acceleration is the sort of performance you never miss until you really need it. When you're choosing a new car look for one that gives you that important extra performance. Start by taking a look at a Marina.



Commonwealth of Australia

Fifteen Year 6 1/2 % Bonds Due June 15, 1982

To the Holders of the above-described Bonds:

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above issue, Morgan Guaranty Trust Company of New York, as Sinking Fund Agent, has drawn by redemption on June 15, 1977 at 100% of the principal amount thereof through operation of Sinking Fund, \$17,000 principal amount of said Bonds bearing the following numbers:

Table listing bond numbers and amounts for redemption on June 15, 1977.

The Bonds bearing the numbers above specified will be redeemed and paid on and after June 15, 1977, at the principal amount thereof, upon presentation and surrender of said Bonds with all coupons maturing after said redemption date, at the option of the holder either (a) at the Corporate Trust Office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, N.Y. or (b) subject to applicable laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Antwerp, Brussels, Düsseldorf, Frankfurt (Main), Munich, London or Paris or the Reserve Bank of Australia in London, or Amsterdam-Rotterdam Bank N.V. in The Netherlands.

Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City, or by a transfer to a United States dollar account maintained with a bank in New York City.

Coupons maturing on June 15, 1977 should be detached and presented for payment in the manner above specified.

From and after such redemption date no interest shall accrue upon or in respect of any such Bonds called for redemption as aforesaid.

May 11, 1977 COMMONWEALTH OF AUSTRALIA

NOTICE The following Bonds previously called for redemption have not as yet been presented for payment: 4511 8241 7030 18343 11233 12337 13333 13378 18544 18538 17271 18330 18370 18003 10030 9150 3226 8630 8770 10612 12121 12754 13325 14325 18550 18503 18216 18028 18029 18030 20072 21320

Handwritten signature or mark at the bottom of the page.

Joy 10 1250

EUROPEAN NEWS

Nuclear transport tightened by Euratom

Philip Rawstorne STRASBOURG, May 10 WEST German companies are being urged to speed up the transport of nuclear fuel...

Bonn likes Carter better as contacts reduce tension

BY JONATHAN GARR BONN May 10 THE WEST German government is congratulating itself on its improved relations with the U.S....

Jenkins' reassurance on EEC summit role

By Reginald Dale, European Editor MR. ROY JENKINS, President of the EEC Commission, reassured the Community's smaller countries yesterday...

East German dissidents fear a crackdown after Belgrade talks

BY LESLIE COLT EAST BERLIN, May 10 PROMINENT East German opponents of the Government's rigid cultural policy see growing signs that it is preparing to crack down...

Poll shows Suarez leading field

BY ROGER MATTHEWS MADRID, May 10 SR. ADOLFO SUAREZ, the Spanish Prime Minister, and his political allies, the Union of the Democratic Centre, are shown to be leading the field for the June 15 general elections...

SAS seeks court backing for lock-out

BY WILLIAM DULLFORCE STOCKHOLM, May 10 SCANDINAVIAN AIRLINES System (SAS) today asked the Swedish Labour Court to approve an immediate lock-out against its cabin staff...

Irish defiance on fish likely

DUBLIN, May 10 IRELAND was expected to reject an EEC directive which would have lifted its unilateral declaration of a 50-mile limit...

Communists in France unveil economic plan

By Robert Mauthner PARIS, May 10 THE FRENCH Communist party today announced details of its latest proposals for the financing of the common Government Programme of the Left...

Table with 2 columns: Period, Sales, Ordinary Profit, Profit after Tax, Profit per share. Rows for 5-month and 6-month periods.

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ALLIANCE BUILDING SOCIETY Let's get together, the Alliance and you.

Communist Party proposals, which will be put to their Union of the Left partners at a special meeting next week...

Joergensen in mediation bid COPENHAGEN, May 10 MR. ANKER JOERGENSEN, the Danish Prime Minister, will intervene directly tomorrow in a three-month printers' dispute...

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Morris Marina From Leyland Cars. With Super... Car featured 1.8 Special 4 door; £2960.10. Marina prices start from £2267.46.

AMERICAN NEWS

Nixon aid memo complicates Hanoi talks

WASHINGTON, May 10. A MEMORANDUM written in 1973 by former President Richard Nixon, pledging several billion dollars in reconstruction aid to Vietnam, appears to be complicating, though not jeopardising, the renewed discussions between the U.S. and the Government in Hanoi.

This memo is presently in Mr. Nixon's private papers. Mr. Richard Holbrooke, the Assistant Secretary of State who last week concluded his first round of talks with Vietnamese representatives in Paris, told a Congressional committee yesterday that he had seen the document and was trying to persuade Mr. Nixon to release it.

Mr. Lester Wolf, a New York Congressman, said this morning, however, that he was prepared to have the former President subpoenaed in order to get access to the memorandum.

Last week, following the Paris talks, it was announced that the U.S. would drop its objections to the admission of Vietnam to the United Nations. However, both Mr. Holbrooke and Mr. Vance, the Secretary of State, made it clear there was no question of the U.S. providing Vietnam with reconstruction aid.

Mr. Holbrooke told the committee yesterday, however, that the Vietnamese had raised the matter in Paris and that it was a complicating factor in the discussions. But he stressed that the memorandum was irrelevant in the current talks and should be seen primarily for its historical interest.

This is the second occasion in recent months that hitherto secret pledges made by the ex-President and his then Secretary of State, Dr. Kissinger, have been unearthed in the Asian arena, to the slight embarrassment of the Carter Administration.

The first instance concerned an apparent American commitment to establish full relations with the People's Republic of China—which would, of course, imply severance of the Taiwanese connection. It would appear that neither Hanoi nor Beijing is too intent on holding the new Administration to these past pledges.

Little U.S. optimism over SALT talks resumption

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, May 10.

MR. PAUL WARNKE, the chief U.S. arms negotiator, leaves for Geneva today to pick up the threads of the stalled talks on strategic arms reduction with the Soviet Union.

He disclosed yesterday that the U.S. had included in its proposals a stipulation requiring some on-site inspection of missile bases, something that the Soviet Union has hitherto resisted.

Mr. Warnke was not overly optimistic of quick progress in Geneva. Referring to next week's talks there between Mr. Cyrus Vance, the U.S. Secretary of State, and Mr. Andrei Gromyko, the Soviet Foreign Minister, he said the best that could be achieved is "to set some negotiating framework for future discussions."

He added that the U.S. was still waiting to hear a Soviet counter-offer to the American proposals that had been rejected in March. He added he thought that the round of talks

could have failed because the U.S. underestimated the importance the Soviet Union attached to the Vladivostok Agreement reached by Mr. Brezhnev and President Ford in 1974, which would have set an overall ceiling of 2,400 missiles and bombers per side.

The question of on-site inspection, however, may prove difficult to resolve, Mr. Warnke explained that it should be seen as a supplement to, rather than a substitute for, use of reconnaissance satellites. The latter were adequate, he said, so long as both sides were simply dealing with the numbers of weapons; when it became a matter of determining specific types of weapons being deployed then satellites had their limitations.

The Soviet Union last year did intimate that it might not object, under the right circumstances, to on-site inspection of underground nuclear tests. Mr. Warnke suggested it might be

possible to work out some system of inspection by challenge—whereby if one side was suspicious of weapons deployment by the other, it could demand the right to inspect facilities itself.

It is clear that, though a second choice, the U.S. would be willing to accept as an interim measure a SALT agreement based on the Vladivostok Agreement, leaving substantive matters, such as the fate of the Russian backfire bomber and the American cruise missile, to later negotiations.

However, there are subsidiary aspects to the current SALT talks to which the U.S. attaches importance—such as the establishment of the so-called "database" which would require both sides to volunteer far more information about their respective military capabilities than they have so far. The U.S. is concerned that its estimates of Soviet military strength may be deficient in critical respects.

Fears of coal strike spreading

BY STEWART FLEMING NEW YORK, May 10.

FEARS that a long standing of the nation's 160,000 coal industry dispute about disciplinary action against absentee miners could spread across the country's coalfields intensified to-day following a vote by the United Mine Workers Union.

The union policymaking executive voted last night to make the dispute about absentee policies in Ohio "national in character."

He said an alternative project of Toronto said it is still confident to take Canadian natural gas from the Mackenzie Delta to the Governments will ultimately south would cost Canada an extra \$250m. to \$300m. a year.

10-year delay to construction, as recommended by Judge Berger, is built rather than over 10 years as recommended by the Berger report, he said. Arctic Gas has spent at least \$140m. on its pipeline project so far, Mr. Horne said.

divisions within the union over its future leadership—divisions which are causing the coal companies themselves considerable anxiety.

There are fears of further deteriorations in industrial relations in the industry if the current national scandal involving the young Jewish-Argentine financier David Graiver, presumably that the Graiver case should not be taken as an anti-semitic case.

Canadian Arctic hope on gas pipe

BY OUR OWN CORRESPONDENT OTTAWA, May 10.

CANADIAN Arctic Gas Pipeline He said an alternative project of Toronto said it is still confident to take Canadian natural gas from the Mackenzie Delta to the Governments will ultimately south would cost Canada an extra \$250m. to \$300m. a year.

10-year delay to construction, as recommended by Judge Berger, is built rather than over 10 years as recommended by the Berger report, he said. Arctic Gas has spent at least \$140m. on its pipeline project so far, Mr. Horne said.

The issue of native land claims could be settled as the pipeline is built rather than over 10 years as recommended by the Berger report, he said.

Arctic Gas has spent at least \$140m. on its pipeline project so far, Mr. Horne said.

Argentinian Jews in NY talks on 'enemies'

By Robert Lindley BUENOS AIRES, May 10.

THE THREE leaders of Latin American Jewry, all of them Argentine citizens, have flown to New York this week, summoned by Mr. Nahum Goldman, President of the World Jewish Congress, to consider what one of them called "an obscure and pogromist forces" at work in Argentina.

This is part of a statement made to the Argentine Jewish community of half a million—proportionately the largest in the world outside Israel—on Friday by Mr. Nehemias Resniky, President of DAIA (Delegation of Israeli Associations in Argentina). Also summoned by Mr. Goldman were Gregorio Falson and Marc Turkow, President and Secretary-General, respectively, of the Latin American Jewish Congress. Both DAIA and the Latin American Jewish Congress are affiliated with the World Jewish Congress, the chief spokesman for world Jewry.

In his statement, Mr. Resniky emphasises that "the Argentine Republic is not an anti-semitic country, nor does official anti-semitism exist. He added: "The Graiver case is the current national scandal involving the young Jewish-Argentine financier David Graiver, presumably that the Graiver case should not be taken as an anti-semitic case."

The Graiver case is the current national scandal involving the young Jewish-Argentine financier David Graiver, presumably that the Graiver case should not be taken as an anti-semitic case.

Hugh O'Shaughnessy reports on the revival of ECLA A think tank for Latin American development

THE SEVENTEENTH annual point Washington has, however, been becoming progressively disenchanted with the OAS, and still has a long way to go to reach the sort of deliberative body which has no function of a kind that there should be some flow of ideas and of these ideas.

The industrialised countries, the Commission for the Americas, Britain, France, the Netherlands, feel that tends to use its Latin American majority to push through the positions which it assumes the secretaries will be accepted as in toto by the richer countries.

For the European Commission, the session had a major speech in his pocket left having, at least momentarily lifted U.S.-Latin American tensions out of the sterile suspicion of a humanistic consideration of Latin America's principal ills of poverty and development.

The Europeans on the hand came with nothing. Mr. Young's speech at the assembly in Paris, France, the Netherlands, the man for the ECLA, talked a low profile, delinquent expectations and made a lack of will on the part of EEC to work towards any relationship with Latin America.

Washington's approval, as Sr. Iglesias is the first to realise, can mean the kiss of death to a body which seeks to represent Latin America. But this time Mr. Young's support was a kind of a low profile, delinquent expectations and made a lack of will on the part of EEC to work towards any relationship with Latin America.

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APPOINTMENTS

THE COLLEGE OF ENGINEERING KING ABDULAZIZ UNIVERSITY, JEDDAH SAUDI ARABIA. The college of Engineering, King Abdulaziz University, Jeddah, Saudi Arabia, invite applications for Ph.D Physicists and Chemists. We need Physicists to teach and/or run an undergraduate laboratory, an applied program in electro-optics and Nuclear Physics. We require Chemists for teaching with analytical experience preferably in Nuclear Activation Analysis or IR/UV Spectroscopy. Industrial experience also appreciated.

COMPANY NOTICES

PAN-HOLDING Societal Anonyme Registered Office: Luxembourg Notice of Annual General Meeting of Shareholders. The Annual General Meeting of shareholders of Pan-Holding S.A. will be held at 10, Boulevard Roosevelt, Luxembourg, at 3 o'clock p.m., on May 31, 1977, for the purpose of considering and voting upon the following matters:

GENEVA

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LEGAL NOTICES

No. 00485 of 1977. In the HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of RICHARD DALE ENTERPRISES LIMITED and in the Matter of The Companies Act, 1948. NOTICE IS HEREBY GIVEN that a Petition for the winding-up of the above-named Company by the High Court of Justice was, on the 24th day of May 1977, presented to the said Court by the liquidator of the said Company and the said Petition is directed to be heard by the Court at 11.00 a.m. on the 26th day of June 1977, and any creditor or contributory of the said Company desiring to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose, and the said Petition may be amended or varied by the Court at any time before the hearing.

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July 1977

OVERSEAS NEWS

Assad cautiously hopeful after talks with Carter

OUR FOREIGN STAFF

President Hafez al-Assad of Syria departed for Berno yesterday from Geneva having expressed cautious optimism about the latest U.S. peace initiative in the Middle East and confidence in Mr. Assad's good faith in his approach to the problem.

On the question of representation of the Palestinians in their peace negotiations and the nature of their "homeland", the need for which Mr. Carter has repeatedly stressed, both sides were very reticent.

Mr. Cyrus Vance, U.S. Secretary of State, evidently intends to discuss the idea with Mr. Yitzhak Alon, Israeli Foreign Minister, in London today. U.S. officials' embarrassment about the exchange last week may be well automatically reject the proposition because of Russian association with it.

Eritrean group denies it may accept Soviet aid

OUR OWN CORRESPONDENT

ERITREAN Popular Liberation Front (EPLF) has categorically denied reports that it is considering making an agreement with the Ethiopian government and Soviet support to defeat other two guerrilla groups in the province. The object would be to create a Marxist state in the province which would allow free access to the Red Sea.

More problematical is the proposal that the Palestine Liberation Organisation should issue a statement accepting the UN Security Council resolution 242 recognising Israel's right to exist, if Israel simultaneously recognises the right of the Palestinian people to a national homeland.

Indian state election dates set

By K. K. Sharma

NEW DELHI, May 10. ELECTIONS to the legislature of at least 11 Indian states and three union territories will be held between June 10 and June 14, it was officially announced today.

Fukuda says USSR may join N-study

TOKYO, May 10.

MR. TAKEO Fukuda, the Japanese Prime Minister, says the Soviet Union will be invited to participate in the international study group on nuclear non-proliferation, agreed on at the London economic summit, the newspaper Yomiuri Shimbun reported today.

CONSULTATIVE GROUP MEETS IN PARIS

Egypt faces its creditors

BY ANTHONY McDERMOTT

THE first meeting of the Consultative Group for the Arab Republic of Egypt opens in Paris today. Since Egypt asked the World Bank last year to form this advisory group it has taken some time to gather these 20 or 30 delegates, representing eight western countries, five Middle Eastern states, and ten financial organisations ranging from the IMF and World Bank to the Islamic Development Bank and the European Investment Bank.

Part of the reason for the delay in holding the meeting has been the reluctance of Saudi Arabia, Kuwait, Qatar and the UAE who form the Gulf Organisation for the Development of Egypt with \$2bn. capital, to formulate their attitude towards investment in Egypt. For those East states linked by one common feature: they have made loans to Egypt.

By the end of September last year loans set up by governments and international organisations outside the East Bloc amounted to \$4bn. of which \$1.9bn. had been disbursed. The repayment schedule for the disbursed amounts was gentle, leaving \$1.5bn. to be repaid after 1980. But Egypt's total debts have been growing alarmingly, and according to the World Bank, non-military and medium and long term debt outstanding and disbursed stood at \$5.7bn. at the end of last September, twice what it stood at less than two years earlier.

Officials insist that this meeting will be exploratory, and that Dr. Abdull Moneim Kaissouny, the Deputy Prime Minister for Economic and Financial Affairs, will not be in Paris to appear before a tribunal as a recidivist in order to be given one more chance to reform himself through the rescheduling of debts. This controversial action—part of what the statement calls "the gradual equalisation of domestic and international prices"—goes, public sector is cut back. The Bank is hence on the issue of Egypt's massive debt, deprecating the large short-term foreign borrowings of 1974 and 1975 as "ad hoc". It forecasts that the liquidity problem "will continue to dominate Egypt's external aid requirements for several years to come". It places the priority on Egypt reducing its short term debts.

The Egyptian Deputy Prime Minister will not appear before a tribunal as a recidivist in order to be given one more chance to reform himself through the rescheduling of debts.

on "Egypt's Development Strategy, Economic Reforms, and Growth Objectives 1976-80". The policy statement is a prolonged justification for the more liberal "open door" strategy which President Sadat initiated for the economy in 1973. It acknowledges that Egypt has had to face acute problems in trying to reverse the centralised economic control set up under Nasser, and fight wars at the same time. It has suffered short term indebtedness difficulties resulting in repayment arrears of "up to 90 days in 1976". The government expresses its determination to reform some of the investment problems (which have annoyed Arab donors in particular).

In many ways the most crucial reform concerns prices. The riots in January were caused largely by the government's decision to remove subsidies which according to World Bank estimates totalled in 1975 LE431.3m.—mainly on wheat, flour, maize, edible oil and sugar. These are to be reduced to LE238.2m. this year. As the report acknowledges: "It is important for the success of the reform program that these effects occur gradually."

The Egyptian policy document reckons that foreign exchange requirements from 1977-80 will amount to \$13.1bn. with annual requirements falling gradually to half the \$5.4bn. needed this year. In outlining the Development Plan, which aims at a growth rate of between 8 and 10 per cent—the highest rate of 12 per cent in industry compared with only 3 per cent for agriculture—the paper says that to meet the planned investments of LE7.8bn., "the plan depends to a large extent on the inflow of external capital" and calls for "an early commitment, or at least understanding on the size and composition of the assistance."

The World Bank is mildly approving of the measures taken so far to reduce food subsidies, but implies that real changes cannot come about to generate adequate domestic resources until the dominance of the

It agrees with Egypt that to realise its potential large quantities of capital from abroad will be required. But it will be a long haul. "In view of the magnitude and complexity of the task, it may take at least five-10 years to achieve a significant restructuring of the economy." Egypt's main task in Paris will be to convince the Consultative Group that having sought outside advice on how to run its economy, it really has the will and determination this time to cut through its antiquated bureaucracy and undertake the reforms to attract foreign investment.

Young arrives in Abidjan

ABIDJAN, May 10.

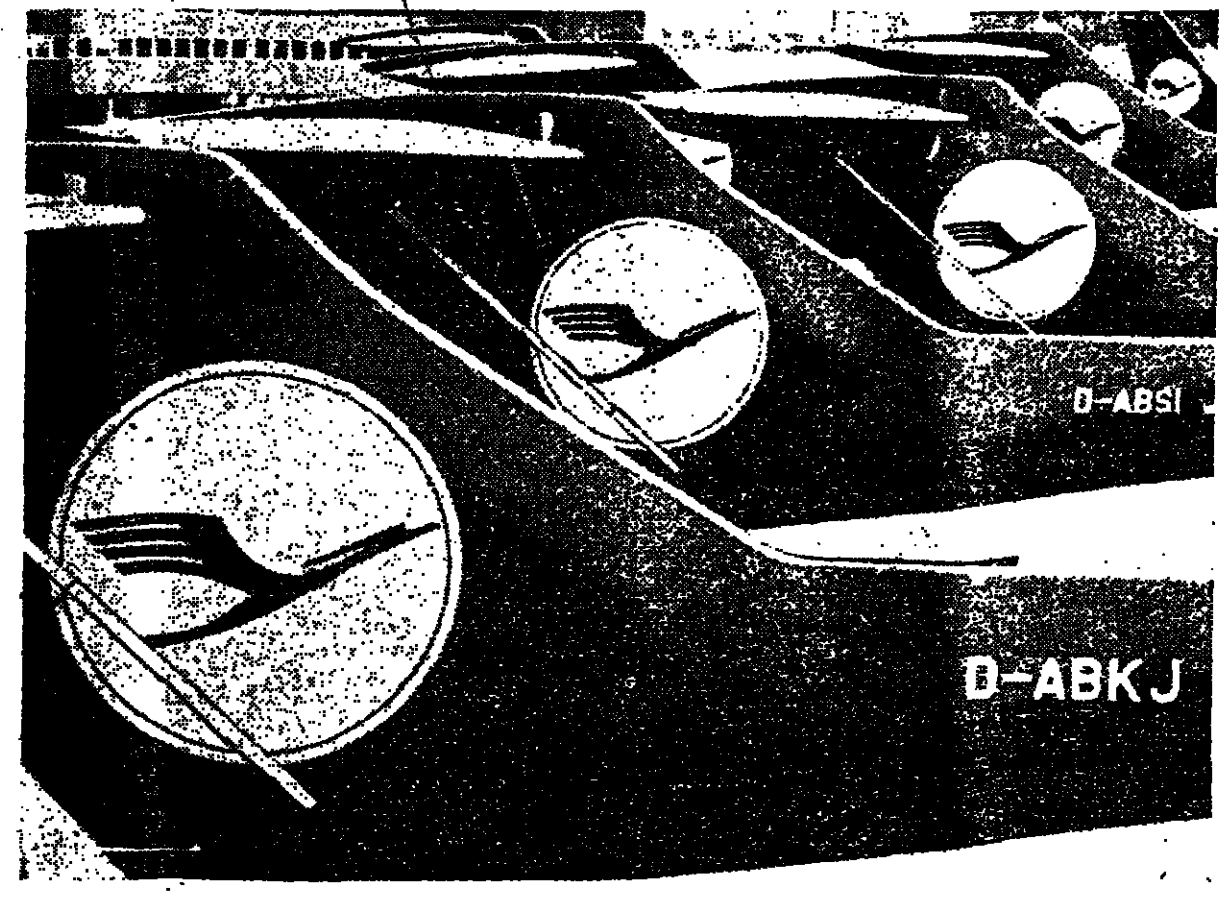
ANDREW Young, the U.S. ambassador to the United group of South African businessmen, arrived here today from Washington to begin a 12-day tour of Africa which may include a conference on Rhodesia and South Africa. His trip to Namibia in Mozambique on May 10 here in the Ivory Coast 16. He will also travel to Ghana at a meeting of U.S. ambassadors and Gabon before going to Lisbon on May 14 to talk to U.S. Vice-President Walter Mondale before the Mozambique meeting. In Johannesburg, it was stated with the repeal of the by the South African Foreign Minister which had allowed mining, that a decision on Mr. Young's proposed visit has been made, and the initiative that sign to the U.S. But the Minister's western members of the Security Council have taken Africa had agreed to the visit or Namibia with all this, I think not, and added that the decision had begun a policy that would possibly not be made public both U.S. and African. He is to be expected to visit the South African Government before leaving Washington, and meant has been irritated by Mr. Young's having publicly questioned the legitimacy of the South African administration. He said: "I'll be going there. What I do there depends on the people who invited Agencies."

Mr. Young is to attend a UN conference on Rhodesia and South Africa. His trip to Namibia in Mozambique on May 10 here in the Ivory Coast 16. He will also travel to Ghana at a meeting of U.S. ambassadors and Gabon before going to Lisbon on May 14 to talk to U.S. Vice-President Walter Mondale before the Mozambique meeting. In Johannesburg, it was stated with the repeal of the by the South African Foreign Minister which had allowed mining, that a decision on Mr. Young's proposed visit has been made, and the initiative that sign to the U.S. But the Minister's western members of the Security Council have taken Africa had agreed to the visit or Namibia with all this, I think not, and added that the decision had begun a policy that would possibly not be made public both U.S. and African. He is to be expected to visit the South African Government before leaving Washington, and meant has been irritated by Mr. Young's having publicly questioned the legitimacy of the South African administration. He said: "I'll be going there. What I do there depends on the people who invited Agencies."

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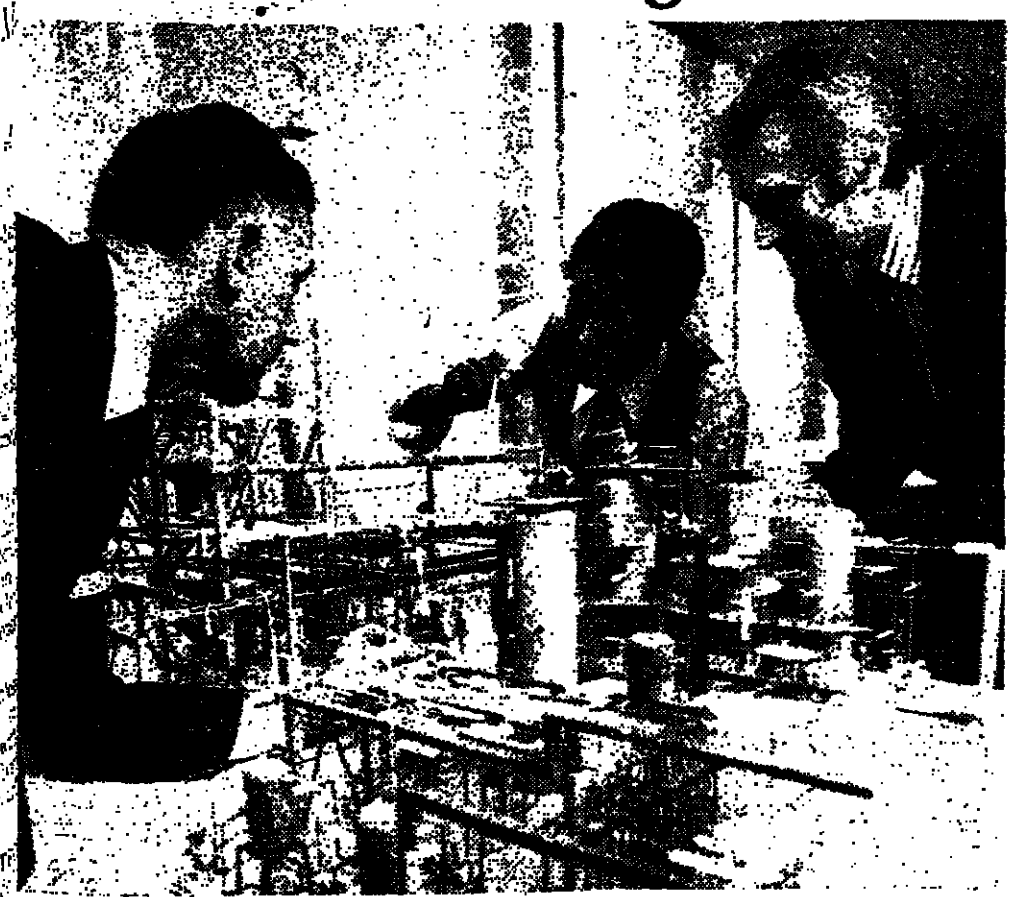


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WORLD TRADE NEWS

Shift in US cargo policy could ease tanker surplus

BY ROY ROGERS, SHIPPING CORRESPONDENT

A SUBSTANTIAL reduction in the world-wide tanker surplus could follow if the U.S. adopts modifications to its controversial cargo preference proposals which are now under consideration.

This was disclosed here yesterday by Mr. Robert Blackwell, assistant secretary for Maritime Affairs at the U.S. Department of Commerce.

Speaking at the Nor-Shipping seminar here, he said that the U.S. Administration was considering the possibility of buying foreign-built vessels to boost the U.S. oil tanker fleet to levels suggested in a Bill being sponsored by Congressman John Murphy.

Mr. Murphy's Bill calls for U.S.-built tankers to be used to increase the share of American oil imports carried in U.S.-flag ships from the present level of around 3 per cent. to 30 per cent.

OSLO, May 10.

WITH THE country's widening balance of trade deficit which increased from L2,333bn. in 1975 to L5,402bn. last year, Sig. Rinaldo Ossola, the Italian Foreign Trade Minister, has now launched a "buy Italian" campaign modelled on Britain's "buy British" and President Giscard's "achetez Français" initiatives.

Sig. Ossola, who launched the campaign during a lecture at Rome University, said that after oil, the country's biggest single import bill involved the purchase of foreign cars. Italy spent L2,000bn. last year on buying foreign cars, more than it spent for its meat imports, the Minister pointed out, adding that two foreign cars imported effectively represented the loss of one Italian job.

Sig. Ossola claimed that increasingly Italians bought foreign-made cars simply because of snobbery. "If we were to reduce these imports by only a quarter, we would have saved a sum equal to the recent IMF's \$530m. loan to Italy."

Imports of luxury goods represent about L500bn. (about \$330m.) of Italy's trade deficit last year. The country, in fact, can boast at a time when the Government is urging austerity, the savoury distinction of being

Italians urged to reduce imports

BY PAUL BETTS

ROME, May 10.

THE largest consumer of Scotch whisky in Europe and the second single biggest importer in the world. In the first quarter of this year, Italy spent nearly \$6m. on Scotch whisky while last year it imported some \$20m. of alcoholic beverages from Britain.

The country is also the biggest single importer of orchids, the second largest foreign market for Rolls-Royce cars with more than 70 last year and 83 already on order this year. Italy is also one of the biggest importers of furs.

To complete the picture, Italy last year spent L13bn. on French champagne, L7bn. for cognac, L50m. for oysters, L700m. for salmon, L190m. for lobsters, and L500m. for snails. It spent L87bn. last year on imported perfume and cosmetics.

Anglo-Italian trade last year, according to recently published figures, was worth nearly \$2bn. compared to £1.4bn. the previous year, but left Britain with a sizeable deficit of some \$280m.

There has, in effect, been a marked deterioration on the British side since 1975 when trade was virtually level between the two countries. Apart from whisky, Britain's main exports to Italy include machinery, chemical products and textiles.

Japan's African success

BY CHARLES SMITH

TOKYO, May 10.

NIGERIA is emerging as an important market for Japanese plant exports despite the fact that up to now its exports to Japan have been minimal. This development could signify a new Japanese thrust into developing markets.

The first of what looks like being an impressive series of Japanese export contracts in Nigeria was pulled off when Marubeni Corporation, in association with Sumitomo Electric, was awarded a \$550m. telecommunications contract last December by the Nigerian Ministry of Communications.

This was followed, in March, by news that Chiyoda Chemical Engineering and C. Itoh and Company were to be awarded a \$180m. contract to build an oil refinery in Kaduna, most recently of all members of a Japanese railway building consortium which includes Mitsui and Company, Kanemitsu-Gosho and Kajima Corporation have been expressing confidence that they will win a \$300m. to \$350m. contract for the number one "working area" of Nigeria's new railway project.

These contracts could be followed by others judging by the confidence with which Marubeni, for example, speaks of projects "in the pipeline". In any event, Japan appears to be making a major breakthrough into a market in which it quite modestly participated in the past.

Japan's exports to Nigeria in fiscal year 1976 were worth about \$870m. or slightly more than 1 per cent of its total exports. Imports from Nigeria by contrast were a mere \$39m.

Japanese exports have started to pay attention to Nigeria for some recent contracts on defence, electronics and telecommunications equipment in Lagos to meet the deadlines set by the Communications Ministry. Japan defeated a Swedish consortium to win the contract and expects to defeat a Swedish consortium to win the railway contract. Bidders for the latter also originally included a British and West German group.

Japan's export success in Nigeria are important in the context of the Japanese realisation that exports will not grow again rapidly in 1977. It also means, according to some of the trading companies involved, that the resistance built up in those markets by Japan's 1976 performance.

Officials are forecasting the Africa, Latin America and Middle East will be growth areas for Japanese exports this year.

The Nigerian orders are also significant in the light of Japan's efforts to increase its export rapidly and to cover plant, along with steel ships and cars, into one of the main pillars of the Japanese trade in fiscal year 1976, according to figures issued to-day. Japan won almost exactly \$8bn. worth of plant contracts with a minimum value of \$500,000 per contract.

This was well short of the original target of \$12bn. but nevertheless 52 per cent up on the previous year. Japan will probably try again to achieve the \$12bn. figure in 1977.

Soviet denial on fleet growth

Financial Times Reporter

A FORTHRIGHT denial that there are political motives behind the continuing expansion in the Russian merchant shipping fleet came yesterday from Mr. Igor Averin, head of foreign relations at Russia's Ministry of Merchant Marine.

Speaking at the Nor-Shipping seminar in Oslo, Mr. Averin attacked Western shipping interests and marine publications for suggesting the Russians were hatching plots to "capture" world sea routes.

He went on to give figures showing that the Russian share of world merchant tonnage actually dropped from 4.2 per cent. in 1972 to 3.8 per cent. last year while flag of convenience fleets had increased their share from 20.7 per cent. to 26.5 per cent. over the same period.

"So one may judge for himself who is capturing world sea routes, and how such an aim can possibly be imputed to Soviet shipowners," he added.

Call for more scrapping

BY FAY GJESTER

OSLO, May 10.

LARGE-SCALE scrapping of old tanker tonnage offers the only hope of restoring balance between supply and demand on the world's glutted tanker market, within a reasonable time, Mr. Erling Naess, chairman of the International Association of Independent Tanker Owners (IATANKO) said here.

Speaking at a dinner held in connection with the Nor-Shipping 77 exhibition, Mr. Naess said Governments which wanted to safeguard jobs in their shipbuilding industries should encourage the yards to "scrap for stock, instead of building for stock."

"And if they argue that scrapping doesn't provide so many jobs as building, my reply is—then scrap even more ships," Mr. Naess declared.

Building for stock could only prolong the crisis, but it was hard to get politicians to understand this. Norway could earmark some of its development aid to set up scrapping yards in

third world countries, he suggested.

Watch deal

Citizen Watch of Japan has initiated a \$36.36m. (¥10bn.) agreement to export a watch making factory and parts to India. The buyer will be India's Government controlled Hindustan Machine Tools (HMT) company. The contract includes a \$7.27m. watch assembly plant and \$29.09m. worth of parts for 4m. watches.

Usines Chausson has said it obtained an order worth about \$20m. from Alstom-Atlantic for cooling equipment for two electricity power stations to be built in the Philippines. It has also granted the Fiat group a five-year licence to manufacture Chausson radiators for cars.

ICI project scrapped

BY OUR ROME CORRESPONDENT

ROME, May 10.

THE MILAN-BASED chemicals conglomerate, Montedison, to-day announced that its joint venture with ICI involving the construction of an aniline plant at Priolo, in Sicily, has fallen through.

The decision to scrap the \$27m. project—foreshadowed in the Financial Times last week—follows the continued refusal of the local Sicilian authorities to grant the necessary licences for the proposed 100,000-tonnes a year aniline plant.

ICI and Montedison had decided to set up the joint 50-50 venture back in 1974. Lately,

Tunnel work awarded to consortium

HONG KONG, May 10.

The Hong Kong Government to-day awarded the main HK\$180m. construction contract for the HK\$280m. Aberdeen tunnel here to a joint Hong Kong-European consortium, the Aberdeen Tunnel Joint Venture.

The consortium comprises Gammas (Hong Kong), SIE Francaise d'Entreprises de Dragages et de Travaux Publics, Hochtief and Svenska Entreprenad.

The tunnel, passing from one side to the other of Hong Kong island, is expected to open to traffic by the end of 1980.

The Aberdeen Tunnel is the first to be driven on Hong Kong island and is the most ambitious highway construction project ever awarded by the Government of the Crown Colony.

The two kilometre (1.3 miles) twin-tube tunnel will provide a three-minute express link on a route which now requires nearly an hour.

A Public Works Department spokesman said the tunnelling would take about 3½ years and it was expected to open to traffic by the end of 1980. The tunnel is expected to handle 2,400 vehicles an hour, providing swift north-south access through the heart of Hong Kong.

Hong Kong mission visit

BY DAVID HOUSEGO, ASIA CORRESPONDENT

AN APPEAL to British shipbuilders to be more creative in their approach in order to capture more orders was made yesterday by Mr. David Newbigging, chairman of Jardine Matheson, who is heading a buy-mission from Hong Kong organised by the Hong Kong Chamber of Commerce.

The mission includes a group of senior representatives from Hong Kong shipping companies—owning between them three quarters of the 40m. tons controlled by Hong Kong companies which make the island the fifth largest shipowning community in the world. It is the first time that a group of such stature has visited Britain.

Mr. Newbigging said that though they did not expect to make any outright purchases, these were "fruitful fund-raising" visits. He said that British shipbuilding firms were competitive in price and delivery dates.

He told a Press conference in London that members of the group had come armed with matching bids from Japanese yards and that two Japanese shipbuilding companies were arriving in London to-day on a chance that the group's visit heralded new orders.

Citing this as an example of Japanese initiative to find found in Britain, he urged British shipbuilders to be more creative in design and financing arrangements.

The mission of 23, which also includes senior executives from Hong Kong Department store Mr. Edward Dell, Secretary of State for Trade, and Gerald Kaufman.

At a dinner last night in Hong Kong, Mr. Newbigging said that these were "fruitful fund-raising" visits. He said that British shipbuilding firms were competitive in price and delivery dates.

"Exporting shoals of small-value consignments, we find ECGD world wide cover is vital"

"You can't sell overseas from an armchair, and we have people constantly travelling all over the world seeking orders in highly competitive markets. As a result, we send a large number of under-£10,000 consignments to well over 5,000 customers"

"In our enthusiasm for expansion, we still need to ensure that we are dealing with financially-sound buyers. And this is where ECGD comes in. In many cases we can go ahead and be covered by ECGD on our own credit information—but for bigger orders with new buyers ECGD's vetting is a must."

Mr. D. J. Allday is Managing Director of A. E. Auto Parts Ltd., Bradford. Currently, the company is marketing overseas well over £20 million worth of automotive parts annually—two-thirds of its turnover.

- ECGD insures from contract or shipment dates. Cover is offered for contracts in sterling or other approved currencies for:
- Continuous, worldwide business ranging from raw or processed materials and consumer goods to mass-produced engineering equipment.
 - Sales through UK confirming houses, and by UK merchants.
 - Sales to or by overseas subsidiaries of UK firms.
 - Services and constructional works contracts.
 - Other single large sales of capital equipment, ships and aircraft.

- ECGD also offers for certain export business:
- Bank guarantees for export finance at favourable rates.
 - Guarantees for loans and lines of credit to overseas borrowers.
 - Guarantees for performance bonds, pre-shipment finance and project participants' insolvency.
 - Cost escalation cover.
- For full details call at your local ECGD office.

ECGD

INSURANCE FOR BRITISH EXPORTERS



Japan to sell steel to China

CHINA has agreed in principle to buy about 2m. tonnes of steel products from Japan for shipment in the first half (April to September) of this fiscal year.

The basic agreement emerged from negotiations between a visiting Chinese buying mission and Japanese steel mills in progress here since late March, it said.

The negotiations are now in the final stage and a final contract is likely to be concluded in the near future, it said.

NSC said Japanese steel mills are expected to sell almost the same amount of steel goods to China in the second half of fiscal 1977, bringing the annual export total to 4m. tonnes or more. Chinese demand for steel is fast growing in connection with the fifth five-year economic plan, which started last year.

Taiwan exports

Taiwan's Industrial Development Bureau expects the country's exports of electronic products to rise to \$950m. this year from \$62m. in 1976, and to reach \$2.5bn. by 1981, the Central News Agency reported. The agency said the bureau forecast colour television sets and medium and high quality audio equipment will be the major exports.

NatWest in Canada

NatWest Canada, a wholly owned subsidiary of National Westminster Bank, officially opens its Vancouver Marketing Office to-day. The new office provides a marketing base to cover British Columbia and Alberta for NatWest Canada.

Algerian plant

Concurrent with site preparation underway at Bethoua, in Arzew, Algeria, for construction of a billion-cubic-foot-a-day liquefied natural gas facility, Pullman Kellogg has committed in excess of \$100m. for major equipment for the facility, being designed, engineered, procured and constructed by Pullman Kellogg for Enterprise Nationale Sonatrach, Algeria's oil and gas agency. Pullman Kellogg said that commitments for main exchangers, compressors, boilers and storage tanks have been made.

NEW YORK. SIX FLIGHTS A WEEK.

Now Iran Air have flights to New York every day except Sunday.

All by Jumbo, leaving Heathrow at 14.15. And arriving at 16.45 at JFK's speedy 'Worldport' terminal.

Then you can take the exclusive 'Worldport' helicopter right to the heart of Manhattan.

From June 1st, we'll be offering this special service every day. For details, or to make reservations, see your travel agent.

IRAN AIR
The world's fastest growing airline.

Two hemispheres

On the international trail this month, The Banker visits Chicago—financial centre of the bustling Mid-west and vantage point for economists feeling America's pulse, and two European capitals, Frankfurt and Luxembourg. Deputy editor Carol Parker reports at what makes Luxembourg so attractive for international bankers, and elicits the do's and don'ts of banking there in an interview with Banking Control Commissioner Pierre Ponce from further afield. The Banker's editor Robin Fringh reports from Tokyo on Eurovers, the product problem, and the money issues heading a crowded agenda in Japan to-day.

The Banking Year

The Banker's annual round-up of profits and prospects in the world's major banking sectors. Banks and banking activities outside the big league of international lenders get a airing this time round with articles on the ambitions of savings and co-operative banks.

Muck and money

The companies getting their hands dirty in the arduous work of pumping oil from the North Sea are going to be banking on the next generation of oil fields developed. A special report features new forms of oil finance, the bankers and oil men behind them, and the doings of BNOG, Britain's official oil promoter in the North Sea.

THE BANKER

Can be ordered through bookstalls price £1.00 or direct from Brackley House, Cannon Street, EC4P 4BY. Price £1.30. U.K. subscription rate £14.40.

MAY ISSUE ON SALE NOW

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Photograph, Gus Vohle

Now, here's a Grade A idea.

The egg is one of Nature's better notions. This carton is one of man's. It cushions eggs from farm to grocer to fridge; and if one of them should crack, the goo won't drip through the carton bottom. It's water resistant.

Water resistant because it's made from a combination of the wax taken out of crude oil in one of the early refining steps, and paper pulp. Egg cartons constructed of this wax-pulp mixture are inexpensive, lightweight and highly protective. And, importantly, they put to good use a by-product of oil that might otherwise be thrown away. When you're

dealing with a resource as valuable as oil is nowadays, it simply makes good sense to use every bit of it you can. So we're always on the lookout for ideas that put more of the oil to work. (For years oil has been the key ingredient in many cosmetics, pharmaceuticals, petrochemicals, and dozens of household items you and your family use every day).

We turn out several thousand tons of wax a year at our Birkenhead Wax Emulsion Plant. Some of it goes to our good customer Hartmann Fibre, of Great Yarmouth, to make egg cartons like the one in the photo. Producing the wax for egg cartons is just one

of dozens of activities in which we are involved after nearly 100 years of doing business in Britain. As you probably know we're also a leading petrol marketer; a leading supplier of marine lubricants; a leader in aviation fuels and lubricants; and one of the important participants in the North Sea oil search. Our parent organisation is one of the half-dozen largest industrial companies in the world.

This is a business built on imagination, innovation, the willingness to take chances, and the ability to spot good ideas when they come along. Using our wax in egg cartons was a Grade A notion.

Mobil[®]

Make a positive contribution to the Silver Jubilee:

leave the country.

You hardly need further reminding that this is Silver Jubilee Year.

But long after the fanfares are over and the bunting has been taken down, what will it all have achieved?

The Financial Times believes that there is a vital and very positive contribution that British business can make to the celebrations.

Silver Jubilee Year is also Export Year. And there is no better contribution industry can make than a thumping great increase in exports.

Which means companies like yours getting their top salesmen to leave the country. To go out into the world markets and sell, sell, sell.

By publishing an extensive survey on British Exports on Friday, June 3rd, the FT will be taking the opportunity to re-appraise the export performance of British Industry.

It will be a timely and in-depth analysis of the aims and achievements of our exporters on a wide variety of fronts (as the editorial synopsis below shows).

And it will also do an important job of promoting these achievements to a wide and influential audience, both at home and abroad.

If your company is among the 1,400 already participating in Export Year, you must have a success story or two to tell.

Make sure you tell it loud and clear. Consult your FT representative for details of advertising spaces and rates. Or contact Tony Kippenberger, UK Advertisement Manager, on 01-248 8000 (extension 510).

Besides contributing to the good news about British business, it could also help win you more orders.

Which is just what everyone needs to make this a year to remember with pride.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Bracken House, 10 Cannon Street, London EC4A 3DF.

A FINANCIAL TIMES SURVEY

British Exports - June 3*, 1977

Editorial Synopsis

Introduction

The British as exporters; the role of UK companies in world trade; the increase in exports achieved over the past decade; opportunities open to British exporters; a comparison with other countries in percentage of GDP going into exports; share of world trade.

The life of the exporter

An account of how the export salesman goes about his business; what kind of person he is; brief profiles of six people in the sharp end of exporting, some UK-based, some stationed overseas.

How export orders are won

Case studies of six major export contracts won by UK companies in the past year; who were the people involved, how was the business won, what was the foreign competition, why did the customer choose a UK supplier?

The changing pattern

Which industries have increased exports faster than others? Changes in the destination of exports.

Invisible exports

The importance of "invisibles" to Britain's trade; the role of banking, insurance and other City sectors.

The big exporter

The role of the big companies; the importance of exports in their sales and profit growth; how have they achieved their strong position and are they maintaining it?

The small exporter

The continuing importance of small companies in the UK's export effort; their special problems; the help available to them from larger companies, from trade associations and from the Government.

Profitability of exports

The effect of changing exchange rates in making exports more attractive; in the past exports were often regarded as marginal business that had to be supported by a profitable home market—how far has this attitude changed?

Foreign-owned companies

The large contribution made by foreign-owned companies in the UK's export performance; the need to encourage more inward investment; advantages enjoyed by multinationals in selling their UK-made products to associated companies overseas.

Overseas investment

The need for many companies to support their direct exports with investment in the markets; what choice is there between exports and overseas investment? The role of acquisitions of foreign companies in stimulating sales from the UK.

Financing of exports

What credit terms are offered and how is the finance obtained? The alternative methods of financing export contracts.

The role of ECGD

How good a service does it provide? How does it compare with comparable institutions in other countries? Is it too commercial or not commercial enough? Recent moves to extend the assistance the ECGD can provide; the question of cost escalation insurance.

Jumbo contracts

The growing importance of the very large package deal in the Middle East and elsewhere; the special financial and management problems these deals involve; steps being taken to increase the UK's share of this business.

Government assistance

The role of the British Overseas Trade Board; is it effective and can it be made more so? The commercial role of British embassies overseas.

The management of exports

What is the best way of handling exports within a company? The differing approaches used by major exporters; the case for and against an international division; the training of export salesmen.

Britain's Export Markets

Western Europe
Can it be treated as a single market? The role of the European Commission in opening up public markets; distribution methods.

Eastern Europe

The role of the state trading organisations; factors needed for success; the importance of reciprocal purchases; the need for technical assistance.

The Middle East

The most dynamic market now available; how is the oil wealth being spent; participation in large infrastructure projects; the importance of local partners.

Africa

The continuing importance of South Africa; the new demands of Black Africa; assistance with industrialisation; the problems of "Africanisation".

The Far East

The potential of the Japanese market; problems of distribution in Japan; the growth of South Korea; other Far East markets.

Australasia

Despite declining importance of Commonwealth trade Australia and New Zealand continue to be very large customers; growing competition from non-British suppliers, especially Japan; protection of local domestic manufacturers.

North America

The biggest and most demanding "advanced" market; traditional exports like Scotch whisky and wool textiles; the outlook for car exports; methods of distribution.

South America

A neglected market; opportunities in Brazil, Argentina and Mexico; the problems posed by protection of local industries.

*Advertising copy date May 25, 1977.

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

July 10 1977

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POINTMENTS

Senior changes in Weir Group

Forrest T. Randall has been named managing director of PACIFIC VALVES. Mr. Randall continues as executive chairman and in addition will be responsible to Mr. E. Young, group managing director, for special projects for the group. Mr. R. M. Murray has become a director of Weir's industrial and marine division in succession to Mr. M. He was formerly the group's director of international operations. Ernest Woods has been named managing director of JAM MOSS AND SONS, following the retirement of Mr. Tom Wood. Mr. Woods will be responsible for the company's operations situated at Leewood. N. M. Simpson has joined USS TURNBULL AND CO. as managing director of West's listed with national management. He was previously a director of Guinness Mahon and Mr. M. M. O'Neil, chairman of the TORACCO ADVISORY COMMITTEE since 1967, will be retiring this autumn but will remain a consultant on European Communities. Sir James Wilson is to join the committee on July 1 with a view to taking over the chairmanship. Sir James retires from the Army next month. Mr. R. E. Holland has been appointed chief general manager of the PEARL ASSURANCE COMPANY. Mr. R. Younger is now general manager (field operations) and Mr. T. W. Lewis general manager (personnel and administration). Mr. William Bell has been appointed assistant vice-president of the NATIONAL BANK OF BOSTON and continues as manager of the Belgium branch in London. Mr. George Ainsworth has been elected chairman of TEACHERS' ASSURANCE. Mr. V. G. Sampson has been appointed sales director of the electronics and instruments division of BELL AND HOWELL. Mr. P. M. Curtis has been elected director of L.H. MENZIES AND CO. for responsible for product development policy. Mr. John Ford is joining the Board of OOW PROGRESS, a subsidiary of Allied Polymer Group, as commercial director. He joined the Board and continues as general manager responsible for the group's special products for English deposits. Mr. Leo division, who holds a corresponding responsibility for Scottish. Mr. Neville Pettit has joined as a director of HOLIDAY HOMES (UK), INCORPORATED and operations director, and Mr. David George as a district sales director. Lord director.

London Clearing Banks' balances

as at April 20, 1977

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business

of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures

produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES

Table with columns: Total outstanding, Change on month, and sub-columns for £m. and \$m. Rows include LIABILITIES (Sterling deposits, U.K. banking system, etc.) and ASSETS (Sterling, Cash and balances with Bank of England, etc.).

Table with columns: Total outstanding, Change on month, and sub-columns for £m. and \$m. Rows include Bills (Treasury bills, Other bills), Special deposits with Bank of England, Investments (British Government stocks, etc.), Advances (U.K. private sector, etc.), Foreign currency deposits, and Other sterling assets.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

Table with columns: TOTAL, BARCLAYS, LLOYDS, MIDLAND, NATIONAL WESTMINSTER, WILLIAMS & GILBY. Rows include LIABILITIES (Total deposits) and ASSETS (Cash and balances with Bank of England, Market loans, etc.).

Table with columns: TOTAL, BARCLAYS, LLOYDS, MIDLAND, NATIONAL WESTMINSTER, WILLIAMS & GILBY. Rows include LIABILITIES (Total deposits) and ASSETS (Cash and balances with Bank of England, Market loans, etc.).

TABLE 3. CREDIT CONTROL INFORMATION

Table with columns: ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIO (%). Rows include ELIGIBLE LIABILITIES (19,905), RESERVE ASSETS (2,663), and RESERVE RATIO (%).

Table with columns: ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIO (%). Rows include ELIGIBLE LIABILITIES (19,905), RESERVE ASSETS (2,663), and RESERVE RATIO (%).

Banking figures

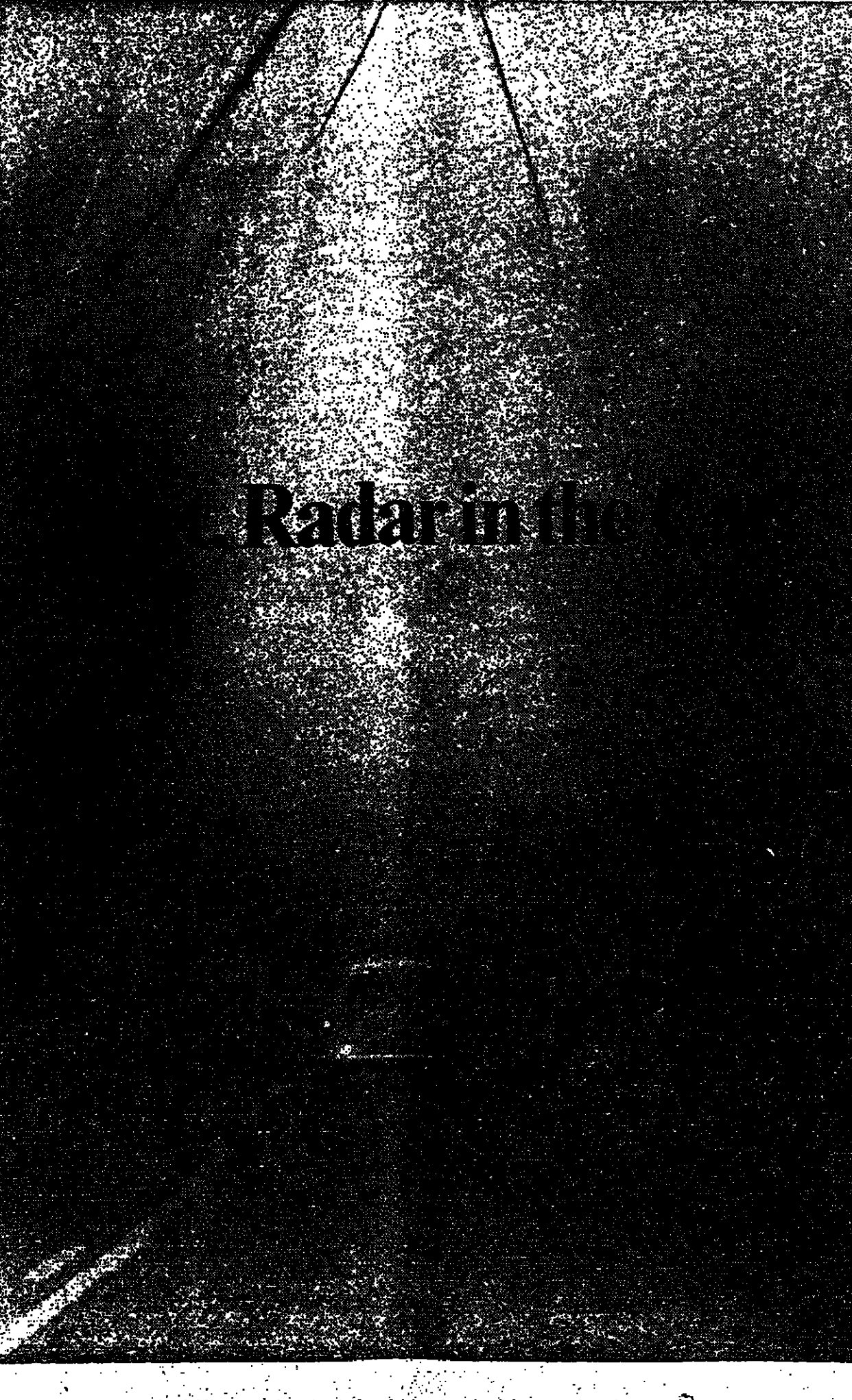
(as table 9 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

Table with columns: April 20, 1977, Change on month. Rows include 1-Banks (Eligible liabilities, Reserve assets, Ratios %), 2-Finance houses (Eligible liabilities, Reserve assets, Ratio %), and Special deposits at April 20.

Table with columns: £m., \$m. Rows include Constitution of total reserve assets (Balances with Bank of England, Money at call, etc.) and Total reserve assets.

Table with columns: £m., \$m. Rows include N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounting to 151, and 2-Finance houses (Eligible liabilities, Reserve assets, Ratio %).



Soon, a new electronic device could help stop you from running into the vehicle in front. In broad daylight, as well as thick fog.

This fog is a real pea-souper. You're having a job to see the road ahead. Suddenly, a red light on your dashboard starts flashing. Simultaneously, you hear an intermittent warning signal. You now know that there is another vehicle ahead - a potential danger, under these weather conditions. Within a short time, the warning signal changes to a continuous high-pitched note. You brake.

You know you must, because the collision warning system is telling you that the unseen vehicle in front has drastically reduced speed. Throughout this whole process, the warning unit's aerial has been receiving and transmitting 250,000 microwave impulses every second. A computer has been continuously comparing your speed with that of the vehicle in front, and has judged the safe distance to be maintained between you. It has also taken into consideration your reaction time, and the condition - wet or dry - of the road surface.

Helpful in good weather, too. Most accidents involving a vehicle running into the back of the one in front don't happen in fog, but in clear weather. That's precisely when your personal radar set can prove invaluable. It prevents you from misjudging the distance between yourself and the vehicle ahead; and warns you if you have failed to notice that it has braked. So it can be a great help if you are in one of those endless motorway traffic streams, when it's all too easy to let your concentration lapse.

This safety system isn't on the market as yet. It has to be improved and, very important, made less expensive.

Bosch and AEG/Telefunken are working together on this project, sponsored by the German Federal Ministry of Research and Technology!

There's more to Bosch than you think: Your car engine almost certainly has some Bosch parts; and it may well be tested by Bosch equipment at its next service.

Many of the goods people buy in their supermarkets have been packed with machines produced by Bosch. These provisions may be stored in a Bosch refrigerator or freezer in a Bosch kitchen.

Television viewers will have seen the Olympic Games through Bosch eyes, as many of the sporting events were televised by Bosch Fernseh cameras. News and entertainment in cars can be received with Blaupunkt auto sound systems.

Bosch electric power tools are at work on construction sites world-wide. Bathrooms and kitchens are equipped with Bosch fittings and built-in units. Deep-cooled blood stored in many European hospital blood-banks is restored to body temperature with Bosch medical equipment.

Bosch employs 5,700 people in research and development alone. Bosch have at present 10,000 patents throughout the world, with 15,000 pending.

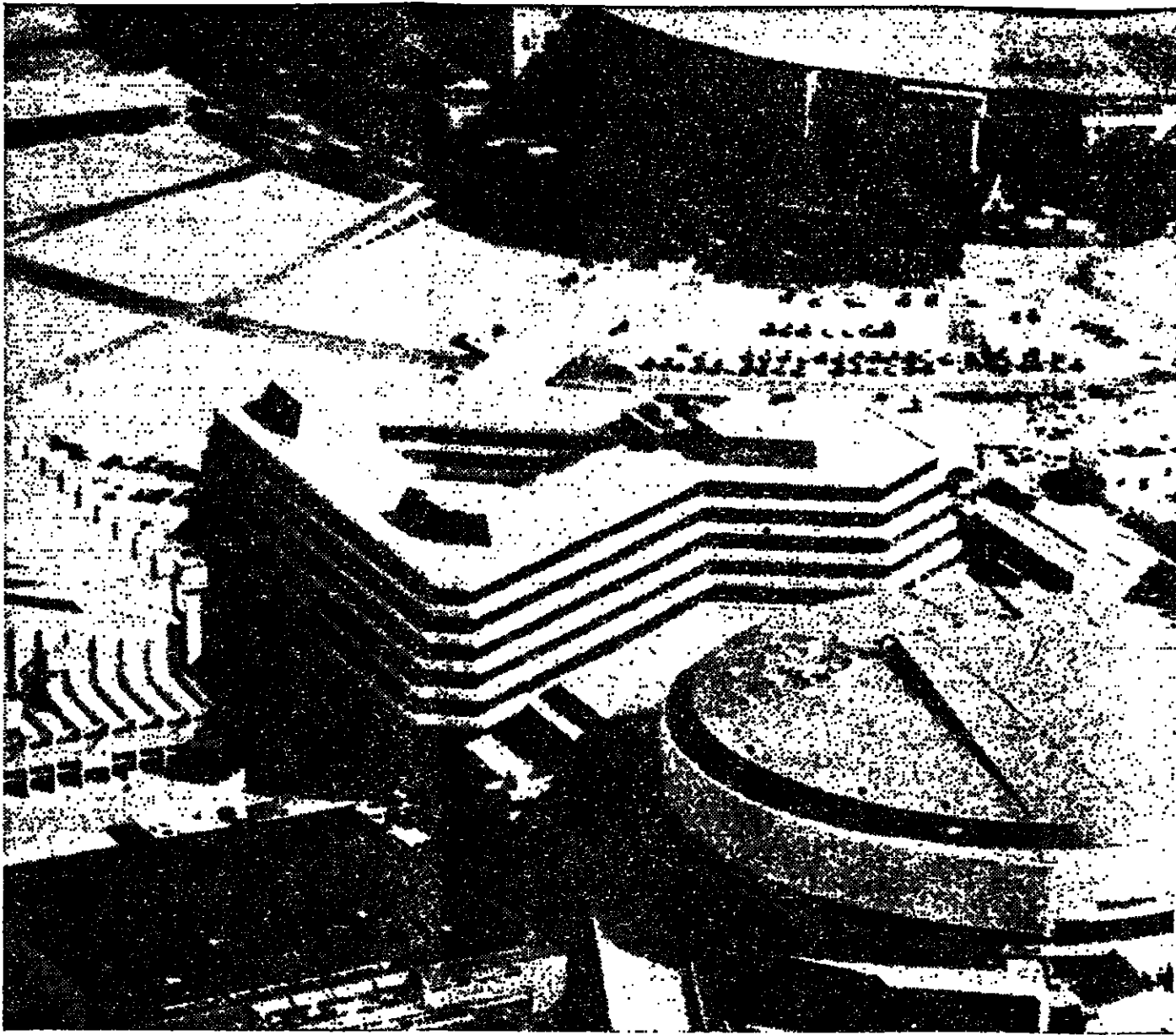
Robert Bosch Limited, Watford, Hertfordshire



THE TIMES A PAPER

Bigger East European stake in Soviet space programme

BY LESLIE COLITT



Kellogg International Corporation makes a significant move. For our clients and ourselves.

You're looking at our new headquarters building at the new Wembley complex. The Pullman Kellogg Building.

We've moved from four central London locations, to provide our employees with the very best working conditions, and to allow us to expand to better serve our clients.

We think the move is a good one.

It shows our commitment to future operations in the United Kingdom (we've taken a 25-year lease).

It gives our employees a modern, five-storey, air-conditioned facility with the best of working conditions throughout.

It was a move whose time had come in our growth and development. In fact, we're planning an immediate increase in personnel of 25%.

We've come a long way since our beginnings here in the 1930s. So that today, Kellogg International engineers are working on petroleum and petrochemical plant projects in 18 countries around the world. That's moving.

Kellogg International Corporation

The Pullman Kellogg Building, Stadium Way, Wembley, Middlesex HA9 0EE, England

A member of the Pullman Kellogg group. Offices in: Amsterdam, Buenos Aires, Hackensack (New York Area), Hong Kong, Houston, Jakarta, Moscow, Paris, Tehran, Tokyo, Toronto.

THE SOVIET UNION is preparing a series of space spectacles in which East European cosmonauts will be placed in orbit to become the first non-Soviets and non-Americans launched into the space era. The East Europeans are to take part in orbital flights starting at the end of next year and thus will easily upstage Western Europe, which will not have a man in space until July 15, 1980, when NASA's space shuttle propels a Western European into orbit for seven days in the European-built Spacelab.

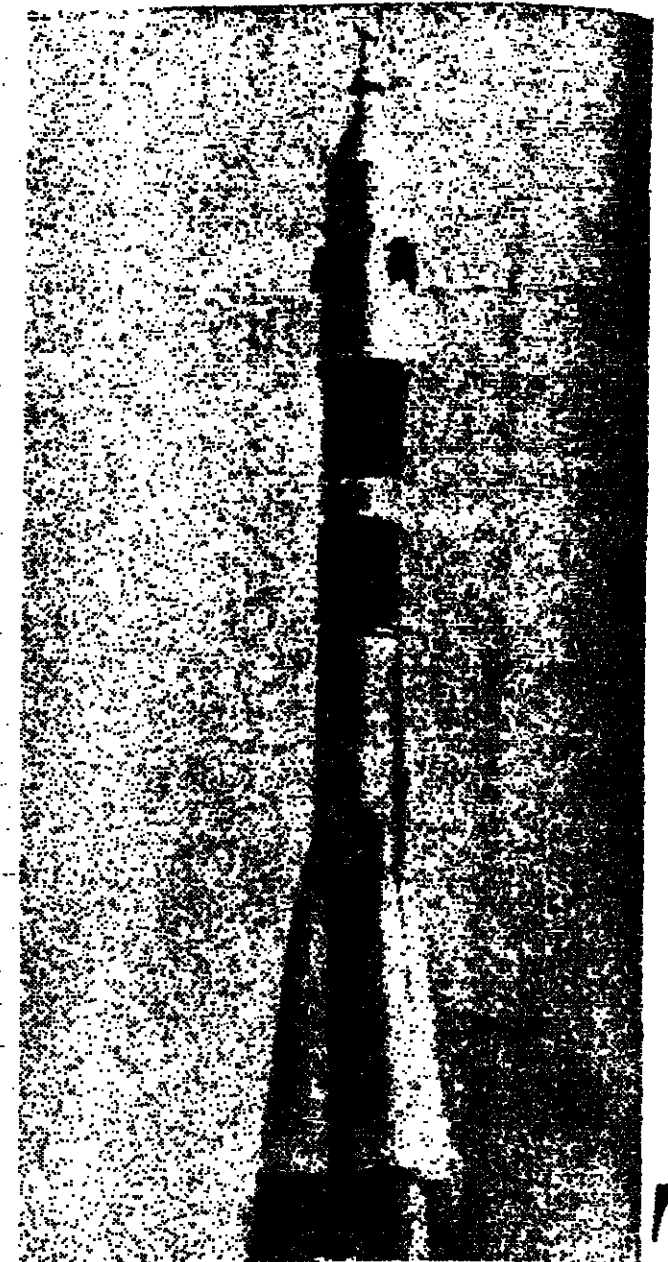
Cosmonauts-to-be from East Germany, Poland and Czechoslovakia have been undergoing training at "Star City" space centre near Moscow since early this year and are being joined by other East Europeans as well as Mongolians and Cubans. Physical qualifications are reported to be tougher for the East Europeans than they will be for the West Europeans, whose selection for the Spacelab flight got under way only this past week-end when advertisements appeared in major European newspapers.

The 18-month training period for the East Europeans who will become mission specialists is a condensed version of the five-year period required of a Soviet spacecraft commandant. It is sufficient, though, to allow them to carry out a few experiments in a Soyuz capsule for eight to ten days. By the time a few East Europeans have stolen the show in outer space, it is calculated here, the launching of a West European in Spacelab will have the impact of the proverbial wet noodle on viewers and readers in the West.

But whether or not this relatively inexpensive space but, instead, stems from the event is really likely to detract Soviet tracking stations located from the far more advanced on their territory. Havana has Spacelab in the eyes of most an important tracking station Westerners, there are already and Soviet tracking ships lie off signs of rivalry among the coast of the Cuban capital.

Similarly, an Intersputnik ground station has been built in Ulan-Bator, the Mongolian capital, being the first to arrive for training at Star City, hinting that he will also be the first non-Soviet European in space. The Soviet Union, however, may all have to finance their own in order to be linked together by a new communication system in both funds and technology to the ten-year-old Intersputnik Program under which the Communist countries have participated to varying degrees.

The GDR made its strongest contribution in last September's Soyuz 22 flight, when an East German multi-spectral camera built by Carl Zeiss Jena carried out photo reconnaissance of the earth's surface. East German reports note that the Soviets set



Blast-off for the rocket sending the Soviet Soyuz-18 craft in space last September.

very tough standards for the camera and that a working model of it completed in December 1975 was turned down by Soviet experts for being 25 per cent. too heavy. The completed camera is judged by Harro Zimmer, head of West Berlin's Observatory, to be on a level with a similar West German camera in 1969 which was used in the American space programme.

Soviet space experts are said to be extremely exacting in their demands on sub-contractors in East Europe. The Soviets inform them of the size and weight requirements and the East Germans then build a module with the electronics in it which is then tested by the Soviets. Research, development and testing are all paid for by the East Europeans, who frequently have to purchase Western equipment to test the components destined for the Soviet spacecraft. Another anomaly of the relationship is that the Comecon allies of the Soviet Union have developed expensive equipment for Soviet research satellites that produce information which the East Europeans were getting free of charge from American satellites.

While Poland and Czechoslovakia deliver substantial amounts of electronics to the Soviet Soyuz capsules, East Germany produced a unified telemetric system and has developed an on-board transmitter which won out over a model from another Comecon country. Czechoslovakia is making its first major contribution in the present phase of the Intersputnik series by providing a Soviet satellite with laser corner reflectors.

As for Mongolia and Cuba, their role in Intersputnik is not that of a source of technology but, instead, stems from the event is really likely to detract Soviet tracking stations located from the far more advanced on their territory. Havana has Spacelab in the eyes of most an important tracking station Westerners, there are already and Soviet tracking ships lie off signs of rivalry among the coast of the Cuban capital.

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far more room for experiment. This will put pressure on East Europeans to offer advanced and expensive technology and this is where first non-Soviet East European space comes in.

Allowing an East European share a satellite with a cosmonaut at the controls relatively cheap way to morale in other Comecon tries. It also encourages Europe to part with more scientific resources in future, allowing the Russian spread the growing costs of space programme.

GEOBANKING

The Manufacturers Hanover Way of Worldwide Banking



Geobanking.

A massive copper mine in Mexico.
A nuclear plant for the world's largest power company.

A shipment of grain for Eastern Europe.

Geobanking.

It is money moving and working around the world.

It is the Manufacturers Hanover way of worldwide banking.

Unlike most major international banks, Manufacturers Hanover does not enter a region or a country with a rigid operational philosophy.

Instead, it adopts a way of banking that works best for a particular place at a particular time.



Geobanking.

In some countries, it dictates the opening of full-service banking offices, such as the Manufacturers Hanover branch in Frankfurt.

In others, it calls for the setting up of a specialized subsidiary, such as Manufacturers Hanover Asia, Ltd., the Hong Kong merchant bank.

And elsewhere, it may mean reliance on representative offices working with indigenous banking systems to form one of the most extensive correspondent networks of any U.S. bank.

Geobanking.

It is wholly responsive, since it fine-tunes banking to national and regional needs. It is flexible, admitting swift adjustment to changes in prevailing conditions.

And Geobanking is synergistic, enabling Manufacturers Hanover to marshal strengths from the worldwide resources of a \$30-billion organization.

MANUFACTURERS HANOVER

The banking source. Worldwide

Headquarters office: 350 Park Avenue, New York, N.Y. 10022

July 1975

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MOUTH.

Users of IBM 360 and 370 can save between £24,000 and £360,000 per annum in rental by converting to Burroughs large systems and DMS II.

On top of that, Burroughs large systems and DMS II will run faster than any IBM 360 or 370 system of equivalent price.

And, on top of that, these Burroughs systems have at least three times the growth potential of your existing system without reconverting or reprogramming.

MONEY.

We will undertake the whole conversion from your existing system to Burroughs large systems and DMS II within an agreed period of time.

During that time DMS II can be tailored to your data base needs and run against your existing system until the effectiveness of the conversion is demonstrated.

Until then you pay us nothing.

THIS IS WHAT'S KNOWN AS PUTTING YOUR MONEY WHERE YOUR MOUTH IS.

All of which, you must admit, makes a refreshing change from those people who ask you to put your money where their mouth is.

So, if your computer specialists haven't already shown this ad. to you, why don't you show it to them?

In just one day we could show them that DMS II is all we make it out to be.

They will report to you after they've

seen us, and then, if you wish, you can ask us to make good our promise.

So clip the coupon and return it to us. (Or, alternatively, telephone Tony White on 01-759 6522.)

After all, you can't really go wrong. The first few months are free. And then you really start saving money.

Burroughs 

To: Burroughs Machines Ltd.,
Heathrow House, Bath Road, Hounslow TW5 9QL.

The name of my Company is _____

Address _____

Our computer specialist whom you should contact is _____

Signed _____

RS HAND
ource. World

HOME NEWS

Bakers given clean bill by Commission

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

NO MAJOR changes to the structure of the bread industry are believed to have been recommended by the Monopolies Commission after its four-year study of the market. The report, which has now been completed, is expected to be published before the summer recess in August.

During the investigation, the Commission unearthed details of unregistered restrictive practices operated by the major bakers. This discovery alone could be said to have justified the original reference to the Commission. But since then, the Commission is not believed to have found anything of real substance to criticise in the industry.

It may, however, be mildly critical of some of the bakers' activities and recommend some minor changes. It will no doubt censure the manufacturers for having operated unregistered collusive agreements.

In general, Commission members are believed to have shared the industry's own view that most of the existing constraints on competition in bread manufacturing are the inevitable result of Government intervention.

The bakers, for example, tend to make a disproportionate amount on milling—which is free of Government intervention—compared with bread, which is subject to various controls.

The bakers, who have not yet seen the Commission's report, have never denied that a monopoly, as defined by the Fair Trading Act, existed in the bread industry.

The three biggest groups—Associated British Foods, RHM and Spillers-French—have around two-thirds of the total sales which were estimated to be worth £450m. a year in 1976.

Price limit

What they have argued, however, is that the Government has done far more to restrict sales than the bakers themselves. Bread, which was studied by the old Prices and Incomes Board in 1970, has been the subject of a Government subsidy since 1973.

After the introduction of this subsidy, the Government then imposed a maximum retail price limit together with ceilings on the size of discount the bakers could give their customers.

Soon after taking over as

Secretary for Prices last year, Mr. Roy Mattersley, removed this discount ceiling much to the fury of the bakers and their van drivers, and replaced it with a new statutory system of linking the maximum retail price to the size of discount the retailer received from his supplier.

The industry's resentment was demonstrated yesterday at the annual lunch of the Bakers' Federation when Mr. Theo Curtis, the federation's chairman, accused the Government of contributing to a disastrous decline in the bread industry's fortunes.

He said that bread manufacturing was a "beleaguered industry" which was fighting for its survival.

The combination of the "extraordinary summer drought" turned by the Price Commission, when it refused to allow the bakers to include the higher cost of trade discount in their applications for higher prices, together with Government actions on discounts had, Mr. Curtis said, "caused the gravest concern."

It had done nothing to generate confidence in the proposed new system of price controls, he warned.



A troop of Royal Canadian Mounted Police accompanied Mr. Paul Martin, the Canadian High Commissioner, to the City of London when he presented greetings to Sir Robin Gillett, Lord Mayor of London. The troop is on a seven-week tour to mark the Silver Jubilee.

Treasury evidence to Wilson inquiry

BY MARGARET REID

WITNESSES from the Treasury and the Department of Industry are being invited to be first to give evidence to Sir Harold Wilson's committee on financial institutions at a meeting fixed for June 28.

The subject will be supply of finance for industry, the topic being given priority by the committee in view of the sluggish recent rate of capital outlays in industry and the importance widely attached to the matter in the interests of boosting employment.

The Treasury is being asked meanwhile to provide a further paper to the committee giving its appraisal of the adequacy of the existing system for provision of finance for industry.

It has already supplied a factual paper describing the general flow of funds in the economy, by sectors, in the past 20 years, and jointly with the Department of Industry has put in a paper about present arrangements for financing investment.

Written evidence has been provided by the Machine Tool Trades Association; several companies, including Consolidated Gold Fields and Unicorn Industries; and by several stockbroking firms.

Evidence is expected before long from the Stock Exchange, the Accepting Houses Committee (the leading merchant banks' club) and the insurance industry. The committee is not at the moment publishing any evidence submitted to it.

Sir Harold and his fellow committee members met next on June 14 to discuss further their plans for questioning the first official witnesses.

Frigg Field pact will raise price of natural gas

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH GAS is expected to face higher prices for Frigg Field gas after a decision on a geographical division of reserves, expected to be ratified by the Government later this month.

The field, which should supply large volumes of natural gas to the British grid this autumn, straddles the U.K.-Norwegian median line. Initial estimates suggested that the field was almost equally split between the two sectors, but new studies have shown that about 80 per cent lies in Norwegian waters.

British Gas will pay more for the Norwegian portion of Frigg gas, raising the overall price to produce up to 1.5m. cubic feet a day to provide the next stage of the natural gas expansion programme.

Mr. Johan Holte, chief executive of Norsk Hydro, with one-third stake in the Norwegian sector of the field, said the re-drawn boundary would make an important difference to the company's profit forecast for the discovery. Other companies involved are Aquitaine, Elf, Statoil, and Total in the Norwegian sector and Total, Elf and Aquitaine in the U.K.

Details of the Frigg price agreement work of the Norwegian secret. Mr. Holte said that they were at prices normally higher than those for European standards. It is believed that as British Gas a monopoly buyer of natural gas produced in the U.K. sector, has been able to negotiate a lower price for "British" gas for "Norwegian" gas.

Norsk Hydro, which has a 50 per cent interest in the field, believes that the cost to the company of the recent well blow-out on platform Bravo would be less than the cost of a minor strike of one of its aluminium plants.

Mr. Holte said that the blow-out was covered in budgeted expenses for unforeseen costs, and would cover the cost of damage to the platform. It has suffered no damage.

Production from Ekofisk, 160,000 to 170,000 barrels a day against 280,000-300,000 barrels the blow-out, Mr. Holte said. The maximum production, estimated at 650,000 to 700,000, should be reached in three or four years.

Little remained of the oil spillage had broken up in the Norwegian authorities will be evaporated. "We are sure that this incident in a very real way will not stop development work of the Norwegian secret. Mr. Holte said that

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'Gold Star' customers lose cost advantage

DOMESTIC gas customers, previously on the Gold Star tariff, have seen their pricing advantage removed by a recent rationalisation of the tariff structure, according to National Utility Service, cost control analysts, writes Ray Dafter.

Gold Star customers, perhaps 3m.-4m. households, faced a 22 per cent rise in bills over the past eight months, the company said yesterday.

"This arbitrary removal of the Gold Star tariff has wiped out the advantage given to domestic consumers who were persuaded to choose gas by the Corporation's heavy advertising campaign for gas-fired central heating in the home."

The Gold Star rate was moved on April 1 when the customers were put on a general tariff. British Gas said that previous Gold Star customers had the same average increase as customers on other tariffs. Gas prices went up an average 12 per cent in October and by a further 10 cent, in April after the Government directive to British Gas reduce its debt.

National Utility Service said that the cumulative increase in gas prices from January 1 to the advantage given to domestic consumers who were persuaded to choose gas by the Corporation's heavy advertising campaign for gas-fired central heating in the home.

Appeal to councils over minorities

FINANCIAL TIMES REPORTER

LOCAL authorities should encourage the growth of "viable minority communities" on their council estates, the Community Relations Commission said in a report published yesterday.

The report is one of a number which the commission is publishing in some haste before it is wound up on June 13, when the new Commission for Racial Equality will take over.

Some of the reports, therefore, seem to contradict one another. One published by the commission on Monday pointed out that black immigrants tended to be crowded together on the poorer, older and less developed estates.

Yesterday's report was concerned about the arguments

between concentration of minority races in small areas as against their dispersal. It saw some value in the growth of ethnic communities inside the better-off active housing estates for two reasons:

Firstly, minority ethnic groups value the support and amenities available from their own community in multi-racial areas; and, secondly, there is no evidence from our survey that dispersal reduces the hostility felt by white residents towards black people.

Housing Choice and Ethnic Concentration. An Attitude Study. C 2 15/16 Bedford Street, WC2 9DP.

Coles to speed growth

BY KENNETH GOODING IN SUNDERLAND

COLES CRANES has taken advantage of the Government's Accelerated Projects Scheme to speed a £20m. expansion programme at its Crown Works here in Sunderland.

Coles' aim is to increase significantly its share of world trade in mobile cranes.

Mr. Peter Steel, general manager and director of Crown Works, said here yesterday the company hoped to overtake most of the U.S. and Japanese competitors and establish itself as the world's second largest producer, behind only Grove of the U.S.

The Accelerated Projects Scheme has enabled Coles to condense a five-year programme into four years.

The scheme has now been replaced by a Selective Invest-

ment Scheme, which encourages companies to bring forward planned investment.

Coles is a subsidiary of the Acrow Group, accounting for around half of Acrow's U.K. turnover and three quarters of its exports.

It lost ground in world markets because it concentrated on diesel-electric mobile cranes at a time when the world was turning to the diesel-hydraulic types.

Today Coles produces around 1,200 cranes a year and is in fifth place in the world league table behind Grove (2,500) Kato and Tadano of Japan (2,000 and 1,500 respectively), and P and H of the U.S. (1,300).

A major modernisation programme has started at the Crown works which accounts for 60 per cent of Coles' output. A new

£1.5m. fabrication shop—the biggest in the construction equipment industry in Europe—has been installed. By 1980 the rest of the plant will have been modernised.

The idea initially is to step up production from 70 cranes a month to 100 without increasing the labour force from the present 1,730.

Mr. Steel said: "We are currently getting very stiff competition from the Americans and Japanese in particular, but in the 1980s we will be able to compete with the best of them."

He insisted there were still tremendous opportunities for Coles in many overseas markets such as Russia, South America, the Middle East and the Far East.

London Transport to invest £30m. on underground trains

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

LONDON TRANSPORT yesterday announced orders worth £30m. for 75 underground trains to run on the District Line in 1979.

One feature of the trains, to be built by Metro-Cammell, the Birmingham Laird group subsidiary, will be push-button, passenger-operated doors. London Transport has experimented with a similar door system, in the past, but dropped it because of technical failures.

This new vote of confidence in passenger-operated powered doors also comes at a time when British Rail is hastily stripping out power-assisted handles from the stock which were used on the Great Northern electrified lines last year.

The British Rail system has apparently failed because a small number of passengers have proved themselves sufficiently strong to burst open the doors when the trains are moving.

British Rail's Eastern Region hopes that the air-pressure lock system, which is manufactured

by G. D. Peters, of Slough, can be strengthened and passenger operation resumed. Meanwhile, doors on the trains are being operated by guards.

Tory plans

London Transport has been attracted to passenger-operated doors on the District Line because much of the vehicles' route will be above ground. With personally operated doors, passengers do not have to face exposure to cold, wind and rain at every station.

London Transport said last night that the old push-button system had been added on to existing trains and had suffered electrical difficulties. It was confident there would be no such problems with a purpose-built system.

The trains are designed to be operated by one man, but two-year-old negotiations with rail unions about one-man operation on both the District and Circle

lines are still in deadlock over the amount drivers should be paid on the new trains.

London Transport has also been presented with an outline of its future as envisaged by its new Conservative masters at the Greater London Council.

The Conservatives plan to overhaul route plans to improve time-keeping; to introduce transferable bus-tube tickets; to cut London Transport staff and restore almost 4,000 parking metres taken out by the Labour-controlled council in an effort to reduce London road congestion.

London Transport has not reacted formally to these ideas, but senior officials regard them as unrealistic and contradictory. A passage in London Transport's annual report, published a few days ago, stated bluntly that there was no case for a radical revision of bus routes. If the Conservative councillors stick to this and other demands, there is bound to be a great deal of

Liverpool hopes for better port labour ties

By Ian Hargreaves

A CONTINUED improvement in labour relations will be needed this year if the Mersey Docks and Harbour Company is to consolidate advances made during 1976. Mr. John Page, chairman, says in the company's annual report.

Mr. Page, who is to leave the company in June to become chairman of the National Ports Council, says the port will be hard pressed to improve on last year's performance, when profits were recorded for the first time since 1971.

The overall profit of £4.4m. had come because of economies and rationalisation, combined with much improved labour relations. Only 5,400 man-days were lost through disputes last year, compared with 6,400 in 1976 and 64,000 in 1973.

Trade, excluding petroleum in bulk, increased by 5 per cent. over the year, leading to a trading surplus of £5.2m., a turnaround of £9m. from the previous year.

Mr. Page says prospects for 1977 are better than they were for 1976 only in that the company now has one good year behind it.

He warns that with losses of £15m. between 1970 and 1976, there can be no let up, especially on the industrial relations side.

Liverpool was poorly placed geographically and the ambitious state of steel and sugar industries in the area added to the port's problems.

In view of these factors, made worse by the loss of oil traffic since the opening of Shell's Anglesey terminal, expansion of business in 1977 would be difficult.

Lloyds cuts cost of loans

LLOYDS HAS become the latest bank to reduce the interest rate on new personal loans. The new rate will depend on the repayment period, which can vary between six months and three years. On £1,000 borrowed over two years, for example, it will be 18.7 per cent, compared with 18.7 per cent. previously.

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Tougher lot for managers

By C. L. Dunn

THE PRESSURE on British management from rapidly falling living standards and poor career development prospects is spelt out in the third Rewards of Management survey, published yesterday by Lloyd Incomes Research. The report analyses conditions for 4,812 directors and managers in 150 companies.

It states that management earnings in the year to March rose by 4.2 per cent, compared with an all earnings increase of 10.1 per cent, and a rise in retail prices of 15.5 per cent.

Just over a quarter of the companies surveyed did not give their management a rise at all, while of the companies that did, boost management salaries, 75 per cent, conformed to the Government norm of £312 a year.

Post Office plans 750 electronic exchanges

BY MAX WILKINSON

THE POST OFFICE is to install 750 new electronic telephone exchanges, twice the number in service so far, during the next five years.

Sir Edward Fennessy, deputy chairman of the Post Office, said the installation rate for electronic exchanges would be three a week. He was opening a new electronic exchange at Milton Abbas in Dorset, the 800th of its kind installed in the U.K.

The cost would be about £1m. per exchange, representing an investment of £150m. a year or £700m. over five years.

"The Post Office is funding a large proportion of this programme out of its own resources. By doing so, we do not have to borrow so much. That means we can avoid burdening our customers with the interest."

"But this can only be so if the telecommunications business is allowed to make the profits it needs. Such profits are not for

some private purse.

"They are vitally necessary for the investment we must make to cater for growth and plan for the future. Everyone benefits—customers and industry."

Last week, under Government pressure, the Post Office agreed to hand back £100m. of telecommunications profits to subscribers in the form of a 27 once-for-all rebate.

The electronic exchanges are being installed to replace the traditional electro-mechanical switching systems.

However, the electronic EXE systems which the Post Office is installing are not themselves the latest in technology.

In due course they are likely to be replaced by a "digital" computer based system in which speech waves are converted to millions of "beeps" for transmission. The "beeps" are then reconstituted into speech by receiving apparatus.

£6m. for BSC brickworks changes

BY GERRY BUTCHER

BRITISH STEEL Corporation is to spend £6m. on a large re-equipment programme at its Templetown Works, Co. Durham.

The project, known as Tempest—Templetown Enhancement Stage Two—will replace a major part of the moulding, drying and firing equipment at the Templetown Silica Brickworks.

Its aim is to provide BSC with

a secure source of silica, which is widely used in building coke ovens, silica roofs and high-temperature blast-furnace stoves. Silica bricks are used to withstand intensely high temperatures.

The biggest part of the development will involve replacement of 13 beehive kilns with a single-tunnel kiln producing 15,000 tonnes a year; the greater

part of BSC's silica brick needs. BSC can provide about 70 per cent of its raw material needs from its own quarries, but sometimes buys from a privately-owned quarry in Wales, or when demand is heavy from Sweden. Silica bricks are sometimes bought abroad.

The Tempest development starts in three months and will

take two years. It follows the £2m. Stage One project, just completed, at Templetown, bringing total investment there to £8m. in four years.

The area freed by demolition of the old beehive kilns will be used to extend warehousing, while mobile units will replace rail rack cars and wheelbarrows now in use.

Why not do a package deal with the Royal Mail parcel service?

The Royal Mail parcel service is the best all-round parcel service in the country, and the record proves it. A recent sample of 90,000 parcels over 11 months showed that more than 8 out of 10 parcels are delivered in 3 working days after posting, and more than 6 out of 10 get there even faster.

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Fast. Responsive. And loads of fun to drive.

But hopelessly impractical once you've progressed into bigger saloons.

Which are certainly much more comfortable, but often very boring to drive.

With one notable exception.

The Renault 30 is among the most luxurious prestigious saloons on the road.

But with a 2.7 litre V6 engine it easily puts most sports cars to shame.

Acceleration is remarkable at 0-60 in 9.7 seconds, and a top speed of over 112mph makes

cruising effortless at 70mph.

However, it's the handling as well as the performance which makes the Renault 30 such a joy to drive.

Front wheel drive and the positive but light power steering put you firmly in control behind the wheel.

And fully independent suspension gives an uncannily smooth ride, even on bumpy roads that you'd never dare to negotiate in the average two seater.

Comfort, of course, is the Renault 30's strong point.

Sumptuous seating for five adults is helped by fully reclining front seats and 56" of elbow room in the back.

Which still leaves space for a cavernous boot under the tailgate.

(You can even fold away the back seats, giving you thirty



LUGGAGE SPACE WITH THE PARCEL SHELF REMOVED.

four cubic feet. More than any car in its class.)

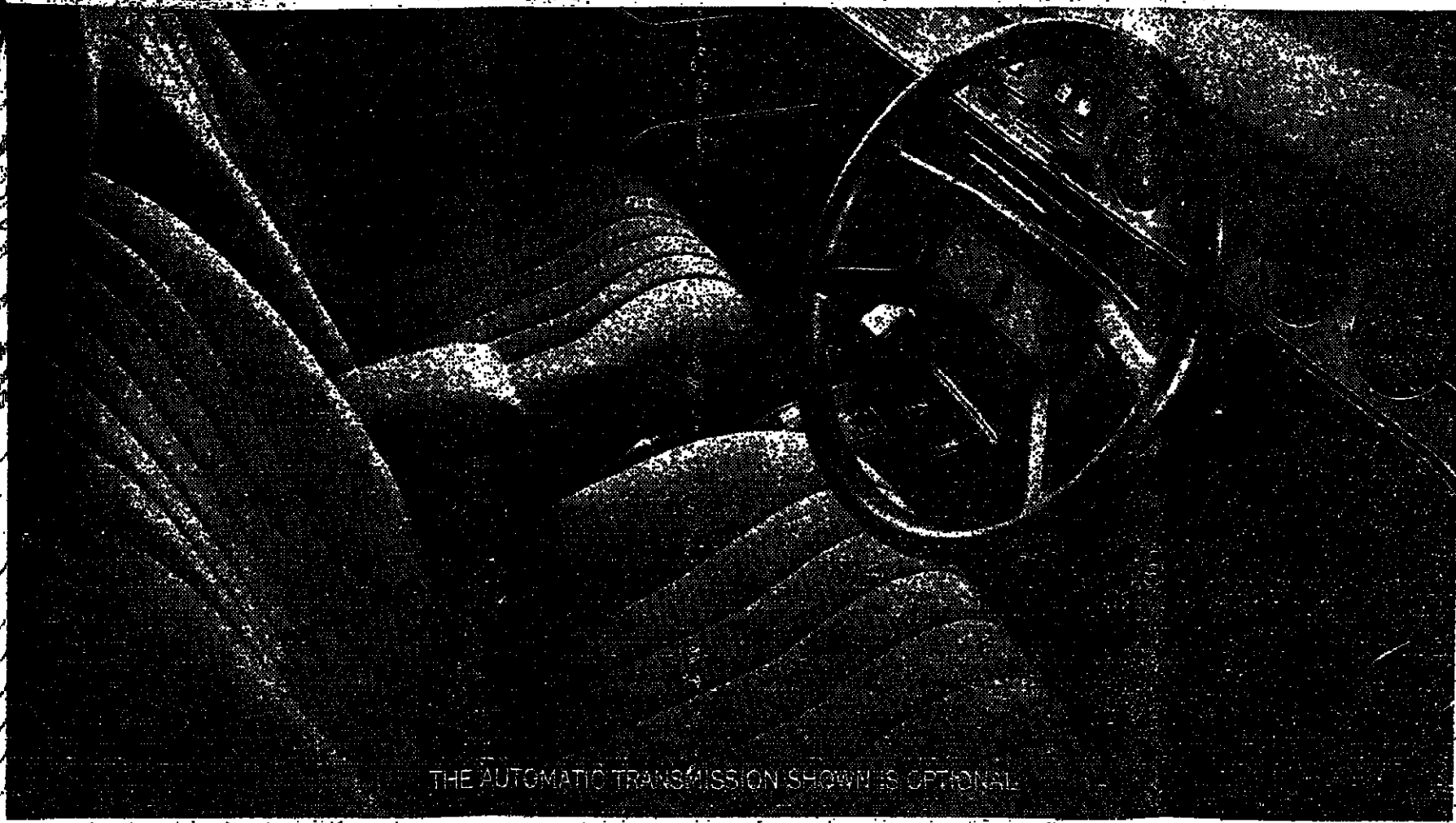
Standard fittings include a centralised door locking system, electric front windows and cigar lighters back and front.

But for all its passenger comforts, the Renault 30 is still very much a car for the driver.

And if you still yearn for those days when you raced along with the wind in your hair and the sun on your face, we do offer one consolation.

An electric sunroof as an optional extra.

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For brochure or Tax-Free export details, write to Renault Ltd, Western Avenue, London W3 0RZ. The Renault 30TS. Price £5,498.05 (correct at time of going to press) includes Car Tax, 8% VAT and front seat belts. Delivery, number plates extra. Automatic transmission, electric sun roof, black paint optional extras. Ask your dealer for details of the low rate Renault Loan and Insurance Plans. Over 375 dealers throughout the UK. West End showroom: 77 St. Martins Lane, London WC2. Renault recommends elfoil.

HOME NEWS

Ford takes top four places in April car sales league

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

FORD made a clean sweep of the top four places in the U.K. car registrations league last month with the Cortina, Escort, Fiesta and Capri.

Table with 4 columns: U.K. CAR REGISTRATIONS April, 4 months ended April 1977, 1976, and % change. Rows include Ford, British Leyland, Vauxhall, etc.

Leyland's poor showing last month was mainly due to the month-long toolmakers' strike which starved its dealer network of cars.

Improvement has occurred in spite of a fall in sales of both the Escort and Cortina, its two most popular models.

Caution urged in pollution control

THERE IS a dearth of information on a national scale about the costs and benefits of measures to protect the environment.



The blockage of Ballymena, Northern Ireland, where the Rev. Ian Paisley and 11 others were arrested yesterday.

Consideration also needs to be given to the possible effects of adopting increasingly strict standards.

The report warns of pressure to adopt measures which had not been adequately assessed in terms of costs and benefits.

Meanwhile, the Health and Safety Executive yesterday announced new trial limits for air contamination caused by 58 toxic substances used in factories and other work places.

Environmental Standards - A Description of U.K. Practice. The Guidelines cover 115/576. Health, Home and Safety Executive, Richmond House, Chelsea Place, London W2 4TF. Free.

Call to lift charges for haulage

ROAD HAULIERS must be allowed to increase charges 'very substantially'.

Speaking at the Association's annual dinner in London, Mr. Male told his audience of 1,200, including Mr. William Rodgers, Secretary for Transport, that haulage replacement costs had risen to massive price increases.

LABOUR NEWS

Talks may start soon to end THF strike

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE PROSPECT of a top-level meeting with Sir Charles Forte to sort out the bitter strikes currently disrupting the entertainment and leisure chain was held yesterday by Mr. Jack Jones, general secretary of the Transport and General Workers' Union.

had been sacked on recognition issues at the Randolph Hotel, Oxford, the Grosvenor, Sheffield, and the Night Out theatre-restaurant, Birmingham.

Think again on phase three, Varley tells AUEW

BY ALAN PIKE AND CHRISTIAN TYLER

AN APPEAL to the Amalgamated Union of Engineering Workers to think again about its decision to oppose a third Government pay policy was delivered by Mr. Eric Varley, Industry Secretary, yesterday.

He added that, while it was right and there would be no confrontation, there was not the way the Government pay policy was delivered by Mr. Eric Varley, Industry Secretary, yesterday.

It came the day after secret discussions between TUC leaders and the Chancellor of the Exchequer on Monday night, which Mr. Hugh Scanlon, AUEW president, travelled up to London to attend.

The AUEW's dominant engineering section national conference last week voted by 50 votes to two in favour of an immediate return to free collective bargaining, when phase two ends on July 31.

The meeting, appears to have been a sounding out, since both the TUC and Government have now accepted that it would be pointless to negotiate agreement on a phase three income policy ahead of union conference decisions, especially those of the Transport Workers and Miners early in July.

It is expected that the AUEW executive will announce to-day whether it intends to table last week's engineering section resolution for discussion at this week's conference.

Mr. Varley emphasised yesterday that in his view, the policy must continue after phase two expires in July.

Mr. Varley identified the fight against inflation, job preservation and maintenance of industrial investment as areas at risk without agreement for a third year.

He told delegates to the union's annual conference that without agreement for a third year, inflation will suffer, jobs will be lost and we shall all be worse off.

Although the conference could not constitutionally reverse the decision, Mr. Scanlon is looking for guidance on how he should present the policy of the amalgamated union in the coming months.

Strike will close schools

STRIKE WILL CLOSE SCHOOLS. The National Union of Public Employees said schools throughout London will be closed to-day because of its one-day strike against public expenditure cuts.

TUC rules on rival white-collar unions

A BATTLE between white-collar unions competing for the potentially lucrative prize of membership growth in the aerospace and shipbuilding industries has taken a new twist with a ruling by the TUC general council that only existing unions in both industries can recruit new members.

Mr. James Jardine, the chairman of the Police Federation, has asked for an urgent meeting with the Prime Minister and the Home Secretary to discuss pay.

The ruling would be a major blow to the aspirations of the Engineers' and Managers' Association and the umbrella organisation formed out of the Electrical and Power Engineers' Association to recruit middle managers, which is not a member of the Confederation, to recruit extensively among the non-unionised workers in aerospace and shipbuilding.

Guards go back. Railway guards at Brighton have called their annual strike over rosters which started on Monday. The dispute disrupted services on the Brighton-London line.

In particular, the EMA had hoped to merge with existing staff associations—especially the Shipbuilding and Allied Industries Management Association (SAIMA)—to give it a broad base for its recruitment campaign.

Police morale 'low'. Mr. James Jardine, the chairman of the Police Federation, has asked for an urgent meeting with the Prime Minister and the Home Secretary to discuss pay.

Unions which are already in the shipbuilding and aerospace industries.

Pay policy support. The 20,000-member Post Office Management Staffs Association backed a third phase of pay restraint at its annual conference in Scarborough yesterday.

Unions which are already in the shipbuilding and aerospace industries.

'Fare' information. Mr. Eric Nevin, general secretary of the Merchant Navy and Airline Officers' Association, told the union's conference at Southampton that if a government took decisions which raised prices it should not expect people to meekly accept pay rises agreed on the basis of false information given by the government.

Unions which are already in the shipbuilding and aerospace industries.

NHS workers seek Board representation. By Our Labour Staff. HALF THE seats on remodelling health district boards should be given to worker representatives elected by members of recognised National Health Service unions, according to the Confederation of Health Service Employees (COHSE).

Unions which are already in the shipbuilding and aerospace industries.

Capacity threatened. While this further growth is inevitable, much of Europe's textile capacity will be threatened by the development of fibre fabrics, and the challenge now will be to develop low-cost yarns with synthetic close to those achieved by using staple fibre.

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NALGO leader may join NEDC

By Christian Tyler, Labour Staff

MR. GEOFFREY DRAIN, general secretary of the National and Local Government Officers' Association, is understood to be a front-runner for a place among the six top TUC negotiators who deal directly with Ministers on the economy and the social contract.

He would replace Sir Dan McGarvey, president of the Boilermakers Amalgamation, one of the TUC members on the National Economic Development Council—the so-called 'Neddy Six'.

In terms of seniority, Mr. Drain is well down the list behind such general secretaries as Mr. George Smith of the building union UCATT, Mr. Tom Jackson of the Post Office Workers or Mr. Alan Fisher of the Public Employees.

Mr. Drain, who is 56, was elected to the TUC general council only four years ago when he became NALGO general secretary in succession to Mr. Walter Anderson.

Hopes of talks to end harvester strike

UNION-MANAGEMENT talks may be held this week to try to settle the six-week strike of more than 1,100 engineering workers which has closed Masey-Ferguson's Kilmarnock combine harvester factory in Scotland.

The dispute is over the demand of 125 across-the-line pay rises for higher piecework earnings. The men are supported by their 890 AUEW colleagues.

The factory entrance has been picketed so intensively that management and the 350 staff have been unable to gain access to their offices since the middle of last week.

The company said yesterday that it was prepared to meet union officials providing peaceful picketing was resumed and staff allowed into the plant. If this was agreed, talks could be held to-day or later this week.

Burglar alarm sales down

BURGLAR ALARM sales fell slightly last year, according to figures yesterday from the National Supervisory Council for Intruder Alarms.

Newage to boost output by a third

NEWAGE, the engineers, Britain's largest maker of alternators for standby generators, expects to increase output by a third this year.

Synthetics likely to outsell cotton

WORLD CONSUMPTION of synthetic fibres is likely to overtake that of cotton, the world's leading fibre, from the mid-1980s onwards, ICI is predicting.

The forecast was made yesterday at a conference on synthetic textiles at the Shirley Institute in Manchester by Dr. Brian Smith, chairman of ICI Fibres, who forecast a 20 per cent share of the world fibre market for polyester, the fast growing synthetic, by 1980.

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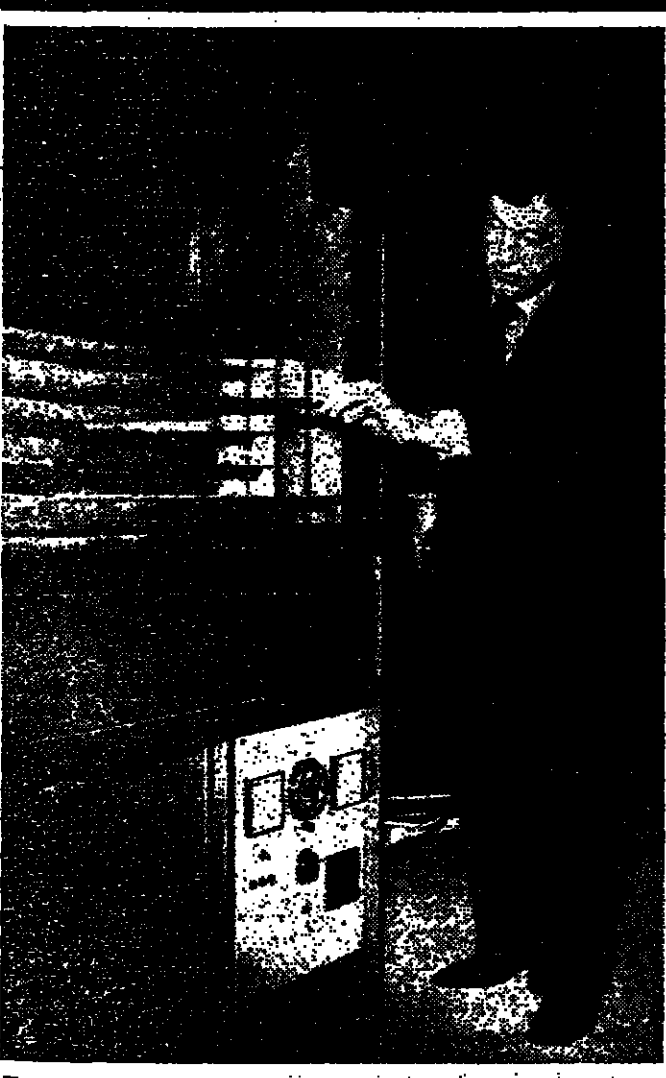
Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOEFTERS

METALWORKING

NEDARD coat by plasma surface treatment

PHILLY HEAT treatment cent, faster processing time. Nedard, a casting investment accurate and reproducible control, has extended its commitment to the hardened zone and the heat ability to process stainless and high alloy steels. In addition to these technical advantages, there are no environmental hazards of the Nedard process. The Nedard plant was manufactured by Klockner Ionen GmbH in Germany and can process quantities associated with conventional heat treatment operations. The company will be co-operating with the Wolfson Plasma Processing Unit which was established earlier this year by the Wolfson Foundation at Liverpool University. The role of the unit, which is directed by Dr. John Bell, is to work in conjunction with industry in the transfer of the plasma thermochemical experiences available in West Germany and elsewhere, into the U.K. manufacturing sector. On the basis of user experience in West Germany and Japan the Nedard process, which is the plasma treatment of plastics extrusion screws and injection moulding dies for improved wear resistance. Aluminium extrusion dies also show considerably enhanced lives as a result of plasma hardening. Nedard Casting Investments, Harold Wilson Industrial Estate, Van Road, Caerphilly, Glam. Caerphilly SS2922.



Furnace designers Carbolite Company aim to change a traditional forging operation by the introduction of a series of new slot forging furnaces. For generations, metal has been heated in gas-fired furnaces. The Carbolite SF electrically heated furnaces, the maker says, provide a better working environment through eliminating flames, fumes and noise, more economical operation through the adjustable slot, and greatly improved technical qualities through precise temperature control and a programming capability. The furnaces, contained in a case which remains cool, use no asbestos. Slot height is adjustable through a stainless steel clad door, which can be fully closed to retain heat when bars are not inserted. Easily replaceable silicon carbide heating elements ensure long life and a thermal fuse protects against over-heating. A time switch enables the furnace to switch on automatically and be ready at the start of the working day. Carbolite on 04334-951.

COMMUNICATIONS

Calling for service

France, and permission has been sought from the P.O., where technical equipment approval is also being sought. The service depends upon the use of a reception calling device known as a call diverter, which is mounted in the local international exchange, answers when called, and then automatically dials up the actual answering number in the other country. The call diverter is the same device used by AT and T in WATS services, a device to which Group 800 has the overseas rights. The PTT's seem to be receptive, though they are taking their time. The reason for approval is that the device generates traffic which would not otherwise exist. Why such a system is not offered internally within the various countries remains a mystery, though it may be that it would be provided by the PTT's themselves. The immediate and obvious markets seem to be similar to the better known ones to which WATS lines have been put in the States: hotel reservations, car hire, and other services of the like. However, Group 800 thinks that these are not the real long-term markets. Most of their usage so far seems to have come from the financial community with large investment dealers and brokers having local numbers in their offices may well be another country. In the U.K., Service 800 is currently being used by Travel Trade Gazette, which has telephone numbers in Frankfurt and Zurich to deal with inquiries which are in fact then switched and dealt with by the London office.

AUTOMATION

Tests board in seconds

NEEDING no operator skill and able to provide complete analogue and digital fault analysis down to component level on printed boards is "Trouble-shooter 400" made by the Zehntel Corporation and introduced into this country by BFI Electronics. The operator merely places the board on a fixture and a "bed of nails" contact matrix moves in to probe many parts of the board at once. Driven by a micro-processor the equipment then rapidly applies tests for short or open circuits, voltage values, component values and other analogue parameters. Individual values are measured by a technique called "guarding" which in effect electrically "un-solders" the tested item from others in the circuit. Similar isolation effects are produced for digital circuits, test rate is superimposed over the actual state for a few microseconds—just long enough for the measurements to be made. Test times are from five to 30 seconds, at the end of which a fault analysis is printed out—including re-work instructions on to a display. If required additional functional tests can be performed on a single component or an entire circuit. The machine will simultaneously apply ac or dc at one circuit point and measure voltage at any other. Programming is quick and simple. A resident automatic program generator with floppy disc or punched tape store creates a complete test program from a list of components typed in on the keyboard. The generator learns the circuit topology making appropriate measurement decisions and compiling an operational program. This may be altered at will or refined at any time, using a simple language and the built-in VDU. Likely application will be where the volume of boards produced exceeds 1,000/month, particularly where only a few different types are involved. More from The Avenue, West Ealing, London W13 8NU (01 888 2113).

COMPONENTS

Metal parts detector

MULLARD has announced some inductive proximity detectors for industrial control and similar applications. Able to detect the presence, absence, passage or position of metal objects, they have dimensions conforming to Cenelec publication EN50006. The devices consist of an oscillator, detector and Schmitt trigger circuit; the oscillator coil sets up a well-defined magnetic field which, when unobstructed produces a high output from the unit. The oscillator is damped by the presence of metal and the output changes accordingly. There are four types with detection distances starting at 1 mm, operating from dc (10 to 30 V) or, in one case from the mains. More about the IPD series from Mullard House, Torrington Place, London WC1E 7HD (01-580 6633).

HANDLING

Controls a network

TO OBTAIN close control of its distribution network for toiletries, Elida Gibbs, Unilever health and beauty aids subsidiary which markets shampoos, soaps, toothpastes, etc., has decided to move over to a large film distributed data processing array based largely on Digital Equipment Company computers. The total order is for six PDP11/70's and two PDP11/24's. Two of the first group have already been running under DEC software which allows a conversational approach in their use. During the second half of this year, the remaining machines will be delivered and, operating under the Cincom software data base management package known as Total, will provide the Unilever subsidiary with distributed computing, linking duplexed machines at four sites. These include head office, two manufacturing plants and a vast 571m. warehouse in the Leeds area. This equipment will be working in a distributed mode to a new IBM 370/138 which will also run Total and Environ 1, the latter a distributed computing monitor from Cincom. To be completed by January, this will be probably the most highly automated plant of its type in Britain. On the goods-inward side there will be a fully automated Teletrac (German) train system to convey pallets, with transfer to driver-controlled loading trucks to put the goods into the correct pallet bay for order picking. On the ordering side, there will be two huge Ordermatic SI order picking machines by SI Handling Systems (U.S.), each able to control the operation of up to 1,500 goods slides from as many product racks in the system. More from DEC at Digital House, Kings Road, Reading, Berks. (0734 583555).

SHIPBUILDING

Less time to design a ship

USING A computer-based design service, the hull form of four container ships recently ordered by Ellerman Lines from Apple-dore Shipbuilders has been produced in three days instead of the two or three weeks normally required. Provided by the British Ship Research Association, the design service has also been used for the hull form of a 30,000 tons dry bulk carrier ordered by Consolidated Goldfields from Sunderland Shipbuilders. The technique enables a hull form design to be quickly produced and processed through to production definition, and development of the shell plating, in a fifth of the time that would be required with a manually designed hull form. The service is based on the hull form system operated by BSRA under an agreement with Sener and a seven segment mask. The Technica Industrial y Naval S.A. front faceplate carries a high luminance high-efficiency phosphor permit Sener to operate the Britphor which is energised by a fair computer-aided lighting flood beam of electrons from the system developed by BSRA. More from BSRA, WallSEND, between faceplate and cathode tube and Wear NE28 6UY has individual segments with emerging leads so that each can be switched.

Big display characters

AN interesting development from English Electric Valve Company allows bright characters some two feet high to be displayed. Each character is a high brightness cathode ray tube but with limited contents—a cathode and a seven segment mask. The Technica Industrial y Naval S.A. front faceplate carries a high luminance high-efficiency phosphor permit Sener to operate the Britphor which is energised by a fair computer-aided lighting flood beam of electrons from the system developed by BSRA. More from BSRA, WallSEND, between faceplate and cathode tube and Wear NE28 6UY has individual segments with emerging leads so that each can be switched.

Versatile pump

AN ELECTROMAGNETIC piston pump capable of handling a wide range of corrosive and non-corrosive liquids has been introduced by Appliance Components, Gordwails Street, Maidenhead, Berks. SL6 7PA (0628 2323). The pump is fitted with Delrin inlet and outlet fittings, and is said to be ideal for drink vending applications. The pump measures 21 x 31 inches, is self-priming, and can handle up to 11 gallons/hour. Weighing just over 1 lb., the pump can be installed in any position, and can be driven by a 12 to 240 V. 50 Hz supply. It operates at 25 Hz.

All about robots

THERE ARE more industrial robots in use in Japan than in the rest of the world just together, according to the Japan Industrial Robot Association. This body is organising the 7th International Symposium on Industrial Robots which will be held in Tokyo on October 19 to 21. The 40 papers, from 15 countries, scheduled for presentation at the Conference will highlight world-wide developments in this field. More details are available from International Robotics Services, 25 High Street, Kempston, Bedford (MK23 5S3655), which will be sponsoring group travel arrangements for European participants.

PROGRAM FOR SUCCESS IN CUMBRIAN NEW TOWN

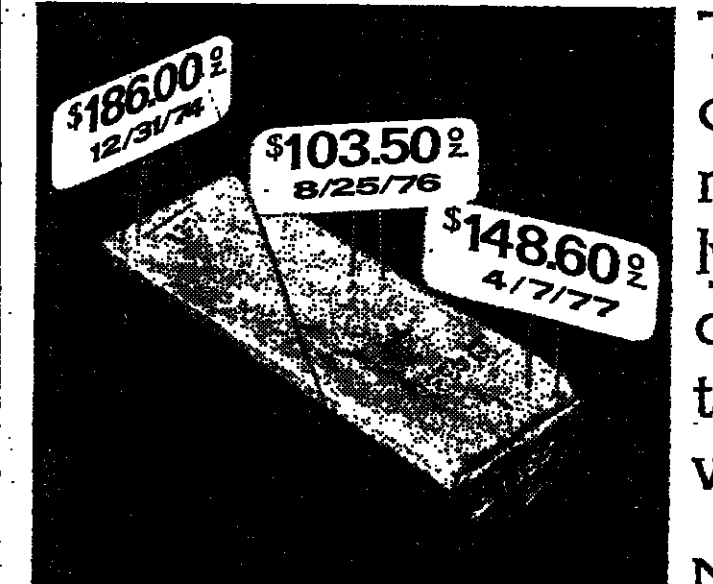
When you plan to acquire or begin manufacturing in Britain, you must first decide on the real value to you of the investment. The Cumbrian Development Corporation has a program to help you. It's called "Program for Success in Cumbrian New Town". It's a free booklet that tells you all you need to know about the area, the opportunities, and the services available. It's a must for anyone considering investment in the area. Write for your free copy today.

COMPUTING

Projects make big savings

ADMINISTRATIVE costs of intensive care units and statistical studies into medical care topics and their link with hospital management. In Finland, the Social Insurance Institute scores by supporting an efficient pensions and sickness benefit system for Finland's 5m. people. The department of Health and Social Security, experimental computer projects. However, just as there are in Britain nearly 200 successful computer projects in Government, so there are in other countries, many of them that save money and produce a better administrative system. The leader of the Copenhagen hospitals project, Dr. Mogens Joergensen, recently said of his Herlev hospital project: "We know we do it better, and we know better what we do." Herlev was the first hospital in Western Europe to have a computerised patient registration system running on the day it opened. Herlev will soon take delivery of the first 370/148 to be installed in Denmark. The computer system is not extravagant. About 1 per cent of the budget for the country area is absorbed by computer costs of all kinds. For this the five hospitals in the area have a network which covers patient registration, laboratory test data, results management and acquisition, X-ray booking schedules, intensive care units and statistical studies into medical care topics and their link with hospital management. In Finland, the Social Insurance Institute scores by supporting an efficient pensions and sickness benefit system for Finland's 5m. people. The department of Health and Social Security, experimental computer projects. However, just as there are in Britain nearly 200 successful computer projects in Government, so there are in other countries, many of them that save money and produce a better administrative system. The leader of the Copenhagen hospitals project, Dr. Mogens Joergensen, recently said of his Herlev hospital project: "We know we do it better, and we know better what we do." Herlev was the first hospital in Western Europe to have a computerised patient registration system running on the day it opened. Herlev will soon take delivery of the first 370/148 to be installed in Denmark. The computer system is not extravagant. About 1 per cent of the budget for the country area is absorbed by computer costs of all kinds. For this the five hospitals in the area have a network which covers patient registration, laboratory test data, results management and acquisition, X-ray booking schedules, intensive care units and statistical studies into medical care topics and their link with hospital management.

Where are gold prices headed?



The price of gold has changed dramatically in recent months so naturally gold futures trading on our International Monetary Market has been very brisk. Nobody knows for sure which way gold prices are headed next. But if you have an opinion—and if you act upon it—and if you are right, you stand to make money. The converse is that you could lose money. But you needn't lose much even if you're wrong. Prudent traders cut their losses quickly and let their profits run.

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PARLIAMENT and POLITICS

Left MPs revolt on tax remissions

BY IVOR OWEN, PARLIAMENTARY STAFF

A LABOUR Left-wing attack on the income tax remissions provided in the Budget for the higher paid culminated in a backbench revolt against the Government when the committee stage of the Finance Bill was resumed in the Commons last night. Ignoring a warning from the Treasury bench that they were advocating a course which would have the effect of increasing the tax bill of 300,000 people aged over 50, Labour MPs, headed by leading members of the Tribune Group, voted against the Government. But their amendment seeking to reverse the action taken in the Budget to raise the higher rate threshold for income tax from £5,000 to £6,000 was defeated by 205 votes to 53—a Government majority of 152. Mr. Denis Davies, Minister of State, Treasury, said that if the Chancellor of the Exchequer (Mr. Healey) had not raised the threshold to £6,000 in the Budget, 1.5m. people would have been in the higher rate band at the end of this year, compared with 300,000 people in 1974. The raising of the threshold would reduce the number of taxpayers in the higher rate band to 1m. Even with the action taken by the Chancellor, he pointed out, three times as many people would be in the higher rate band than in 1974. The amendment, which would bring six times as many into the net. Mr. Davies maintained that the £5,000. remission resulting from the raising of the threshold to £6,000 was only a small portion of the total income tax reduction of £2,250m. proposed by the Chancellor. Even with the change in the threshold, the top marginal rate

Road building Tories narrowly beaten in prices Bill challenge

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

MR. WILLIAM RODGERS, Transport Secretary, yesterday lifted the moratorium on motorway and trunk road building imposed last December as part of the Government's package following the agreement with the International Monetary Fund. The moratorium was due to last until June 15 and its suspension means that contracts for new roads can be let again immediately. This will come as some slight relief to the road construction industry, which has been faced with severe contraction in the last years as both central and local government spending on roads has been cut. Mr. Rodgers said in a Commons answer that the deferral of projects under the moratorium had already effected the intended £40m. saving. Road schemes would now be re-ordered according to priority and it would be possible to let contracts soon for new schemes where there was a strong argument for an early start. The effect of the decision will probably be to bring forward work on parts of the London

Left MPs revolt on tax remissions

BY JUSTIN LONG

THE GOVERNMENT hopes its strengthening price controls and curbing inflation should be one basis for completing its passage through the Commons in a matter of weeks. Mr. Roy Hattersley, Prices and Consumer Affairs Secretary, made this clear yesterday in the Commons Standing Committee on the Bill even though Tory opposition on a crucial amendment was only defeated after a 19-10 tied vote. The chairman, Mr. Richard Crawshaw, followed standing practice by casting his vote to retain the present terms of the Bill. While the Opposition left no doubt that it would continue to press strongly for a reduction of the proposed powers, Mr. Hattersley said he hoped the committee could conclude this stage of the Bill before Whitsun. He described the Tory amendment which would limit the operation of the Bill to one year, or for as long as the pay limitation policy lasted as an attempt to wreck the Bill. No viable Commission could be established on such a basis, Mr. Hattersley argued. If industry

Peers support Bill to change Scottish homosexual law

BY RICHARD EVANS, LOBBY EDITOR

A PRIVATE member's Bill to change the law on homosexual activities in line with that of England was given a second reading in the Lords yesterday by a majority of 58 (125-27). Giving the Government view of the Bill moved by Lord Boothby (Ind.), Lord Kirkhill, Minister of State, Scottish Office, said that prosecutions for homosexual acts between consenting adults were practically unknown in Scotland. The Bill was therefore likely to have little effect. "There is no reason why a change of this sort should not be made now if Parliament wishes to do so. It is more a recognition of existing practice than anything else," the Minister declared. Moving the second reading, Lord Boothby said his sole purpose was to bring the law of Scotland into alignment with that of England. The fact that the present law was not enforced in Scotland would only bring the law into disrepute. The situation was unprecedented and undesirable. Lord Kirkhill explained that the 1967 Sexual Offences Act had legalised homosexual activity between consenting adults in private, in England and Wales. There had been little pressure at that time to extend it to Scotland, but there were now calls for a reform of the law. Lord Ferrer (C.) said the proposal was another step down the slope leading to a decadent society. A devoted Scottish Assembly could deal with the matter. The Bill was inappropriate and untimely. Lord Platt (Ind.) said that although he found the whole concept of male homosexual acts repulsive, he was in favour of the Bill. Lord Strathclyde (C.) said the Bill was not wanted by the Scottish people, and he did not believe it was necessary. "I do not know anything about the law on the subject, but I would leave it as it is. We are too fond of poking noses into the law. We should leave it to the people to decide."

Tory loses rented homes Bill

A TORY Private Member's Bill passing of the 1974 Rent Act. Private landlords were not making homes available for letting because they feared they would not be able to regain possession of their property when they wanted it, he claimed. He proposed that all new tenancies under a landlord's letting accommodation in his own home should be exempt from the provisions of the 1974 Act unless

Mistakes Bill critics claim victory

A CONTROVERSIAL Bill that would have made it easier for Governments to correct legislative errors has had to be withdrawn because of fierce Parliamentary opposition. The Acts of Parliament (Correction of Mistakes) Bill was due to have its second reading in the Lords yesterday but, because of growing criticism from MPs and peers, the measure was postponed at short notice. Opponents of the Bill are convinced it will not reappear. There was very little reaction to the measure when it was published ten days ago but since then, protests have been growing and it has now become apparent that it would probably not get through the Commons or the Lords because of backbench fears that it would increase the power of the Executive to alter legislation without hindrance. Under current procedures, a complete new Act has to be passed to correct a mistake made in the course of passing a Bill. In order to nullify this time-consuming procedure, the Government proposed a greatly simplified method. The Acts of Parliament Bill suggested that when an inadvertent error had been made but not discovered until legislation had reached the Statute Book, the Clerk to the Parliaments should table a statement setting out the relevant facts. After consultation, a Minister would then table an Order in Council outlining the changes necessary to the Act to delete the effects of the error. This would have to be approved by a resolution of both Lords and Commons. Mr. Robert Rhodes James, Conservative MP for Cambridge and a constitutional expert, commented last night: "This was a sinister little Bill. It gave a Government the right to say it had made a mistake and by Order in Council change the statute. It gave them an opportunity to change the purpose of an Act of Parliament." He was particularly critical of the absence of any definition of what constituted a mistake.

Ennals studies report on NHS waiting lists

MR. DAVID ENNALS, Secretary for Social Services, is studying a top level report on how to solve the problem of Britain's long waiting lists for National Health treatment. He told MPs yesterday he was "extremely concerned about this problem." Mr. Ennals said that according to provisional figures it now seemed likely that last year had seen the longest ever list of people awaiting treatment. But he pointed out to Mr. Michael McNair-Wilson (C. Newbury) that in the same year, the largest number of in-patients had been treated. Mr. Ennals added: "I am determined to tackle this problem of waiting lists which has plagued the National Health Service for the past 20 years. Under my supervision, a report on waiting times has now been prepared with a series of constructive proposals. He will discuss the report with health authorities and professional bodies. Mr. McNair-Wilson asked the Secretary of State to consider keeping open small hospitals faced with closure. Mr. Ennals said there was a variety of different reasons why the waiting lists had grown including an increase in the number of elderly people, industrial action and limits on public expenditure. But he did not believe the problem would be solved simply by holding on to a large number of small and uneconomic hospitals.

Midland Bank will be taking care of business at the Budapest International Spring Trade Fair.



As we are a participant in European Banks International (EBIC), a group of 7 great independent European Banks, you'd expect us to be there for an event of this importance. Mr. Don White, will be present from May 18th-26th to help ensure your trip is a profitable one. There will also be an EBIC representative on hand for the entire Fair. If the occasion arises where you think you could use a little friendly, free advice, talk to either of them. They can be contacted at the Fair at EBIC House, Hall A, 1st Floor, Office Number 116/118. Tel: 834 320/834 318. Telex: 22 46 90. And if you have any questions on overseas trading that you'd like answered now, contact Midland Bank's Panel for Overseas Trade Development in London 01-606 9944.

Midland Bank International logo and address: Midland Bank Limited, International Division, 60 Gracechurch Street, London EC3P 3BN.

Merchant Shipping Bill planned

A MAJOR Merchant Shipping Bill is now being prepared which will lead to improved safety at sea, new disciplinary arrangements for the Merchant Navy and major advances in preventing pollution of the sea. Mr. Stanley Clinton Davis, Under-Secretary for Trade, told the Merchant Navy and Airline Officers' Association in Southampton yesterday. Mr. Davis said: "We are seeking wider rule-making powers, covering safety at sea, so that regulations can be made effectively. Technological change is quickening all the time and we must be sure that safety regulations can keep pace with it. We want to see pilotage organisation in this country brought up-to-date, and wider powers for holding formal investigations into shipping casualties. I want to be able to curb shipowners' rights to limit their liability to crews for death or injury. This improvement will cover Merchant Navy officers."

Written Answers

TREASURY Mr. Bryan Goid (Lab. Southampton Test). What is the Chancellor's working assumption of the income elasticity of demand for U.K. manufactured exports? Mr. Denis Davies, Minister of State, Research in the Treasury and Department of Trade told the determinants of U.K. manufactured exports has had difficulty in discriminating clearly between (i) a low world trade elasticity (of about 0.8) and (ii) a higher world trade elasticity (of about 1) combined with a loss of share due to factors unrelated to world activity. The Treasury model currently employs the second approach but the implications of both methods are studied in any forecast. Estimates of elasticity with respect to income are not directly available since the relationship between world trade and income is subject to wide variation. Tony Newton (Con. Brantree). What would be the revenue cost in 1977-78 terms of raising the threshold for investment income surcharge to £4,000 and (b) raising the threshold for investment income surcharge to £4,000 and charging it at a rate of 10 per cent? Mr. Robert Sheldon, Financial Secretary, assuming the implementation of the Budget proposals, the estimated additional cost for 1977-78 would be as follows: (a) £130m. and (b) £195m. Mr. John Lee (Lab. Birmingham, Handsworth). If part of the salaries paid to British members of the European Commission and other subordinate officials of the Common Market of British domicile are subject to income tax? If any double taxation agreements applies to the tax liability of such persons? Mr. Robert Sheldon. Under Articles 13 and 20 of the Protocol on the Privileges and Immunities of the European Communities, salaries paid by the Communities to their officials and other servants and to members of the Commission are exempt from national taxes in the Member States. Double taxation agreements therefore have no application to these salaries. PRICES Mr. John Garrett (Lab. Norwich South) will be Secretary of State refer the footwear retail trade to the Monopolies Commission? Mr. John Fraser, Minister of State, The Director General of Fair Trading announced on May 5 that he had concluded that there did not appear to be a monopoly situation in the supply of footwear. Although he had decided not to make a reference to the Monopolies and Mergers Commission at the present time he would continue to keep developments in the industry under review. TRADE Mr. Michael Shersby (Con. Uxbridge). What was the total import penetration of the British car market by foreign producers for the first three months of this year compared with the same period of 1976? Mr. Michael Mowbray, Under-Secretary. According to figures from the Society of Motor Manufacturers and Traders, import penetration of the U.K. car market in the first three months of 1977 was 42.8 per cent, compared with 34.7 per cent in the same period last year. Mr. David Mitchell (Con. Basingstoke). What are the latest figures for bankruptcies and liquidations? By what percentage do they exceed or fall short of the average for 1972 and 1973 respectively? Mr. Stanley Clinton Davis: In the twelve months ending March 31, 1977, there were 6,526 receivers and 5,911 company liquidations in England and Wales. These exceeded the averages of 1972 and 1973 by 62 per cent and 110 per cent respectively.

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The Management Page

EDITED BY CHRISTOPHER LORENZ

BMW MOTORCYCLES

Berlin mounts a two-wheel drive against Japan

BY DOODSWORTH

EVERY industry there is in West Berlin, will mean the only one company which development of a new range of conventional wisdom and smaller machines. In the 400cc away with it. Among the to 500cc capacity range (BMW mean motor manufacturers is coy about its precise plans), BMW, a living challenge these bikes will be competing in a idea that a motor group categories where the Japanese to be either large (like Fiat are already well established, and for example), or well and where volume output—and refined (like Mercedes and there been just as important as refinement.

What seems to be behind this thinking is a similar development to the one BMW has pursued in car manufacturing in recent years. Although the company still has a range of powerful, sporty cars, it has also carefully expanded its capacity and sales in its middle-size ranges, seeking a wider market while still maintaining premium rates. "There will be no moped, and no new 250cc machine for us," says Rudolf von Schulerburg, managing director of BMW Motorcycles. "But we do think that at the upper end of the market, with bikes of 1,000cc, we have reached the point where it is technically not advisable to go any further."

There is little to be gained by the development of even more powerful machines at that end of the range, he suggests. "We don't think it would be wise to follow our competitors and develop more and more motor cars on two wheels. We would rather continue with our well-balanced concept and go for a better power per weight ratio. Power per weight is far more important than adding another 1,000cc."

Von Schulerburg is a stocky, deliberately spoken man of 39, who was formerly head of BMW's product planning, and has had the job of building up the group's subsidiary in South Africa for the last three years. He has now been brought back to head the expansion of the motor-cycle division. "It will be 150m investment at its plant a tough five-year assignment. A



Rudolf Graf von der Schulerburg, managing director of BMW Motorcycles, and his old-fashioned manufacturing site in West Berlin. His 150m investment programme for the factory is a key component in BMW's strategy of breaking into the middle-range motor-cycle market.

new factory will have to be brought into operation opposite in 1975, the last year for which the present works in West Berlin; a new workforce of 1,000 has to be added to the present 1,600 and trained; new machines and engines have to be brought through successfully, along with some new, more automated production processes.

The groundwork for this period of rapid change has already been laid. In the 1960s, while the motor-cycle manufacturing was gradually brought together and grouped on one site in West Berlin, it remained the poor relation of the car manufacturing group. But a year ago it was split off as a separate subsidiary of the main group with its autonomous management.

Extra spur

The motor-cycle division used to comprise a dozen departments in the parent company. The idea is now to make it a real profit centre and put it in a position to develop new ideas," says von Schulerburg. "In the days when motor-cars were number one, the motor-cycle people were hauled in to help with their problems whenever they needed extra hands. Now this has stopped to allow us to put more initiative into motor-cycles."

One consequence of this new direction should be to give BMW an extra spur to growth in the 1980s. Von Schulerburg says that turnover in the division is expected to go up from DM200m last year (about £30m) to DM500m in 1982, and profits are already in line (for the first time in many years)

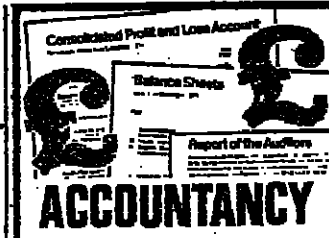
with the main group's results. But the expansion will still leave BMW as a relatively minor operation in comparison with the Japanese—its output of 25,000 units last year compared with well in excess of 2m at Honda.

At the same time, according to independent studies, the Japanese are way ahead on productivity—the Boston Consulting Group claimed that each worker at Honda makes about 200 bikes a year against BMW's 20 or less.

Given this industrial environment, BMW's marketing strategy has been largely determined for it to stick, like Rolls-Royce, to an exclusive image, and ensure that this remains soundly based by painstaking labour-intensive engineering. On that base it should be able to build a pricing structure to justify the investment in man hours.

Whether it can maintain its image and quality while expanding so rapidly, and whether the strategy will work for smaller, engine motor-cycles, are questions which will be answered in the next five years. BMW is already anxious; for example, about the problem of hiring the right quality of skilled workers in West Berlin's constricted labour market—half its present labour force is foreign. Because of this its personnel director is coming to Britain to try to find skilled workers laid off by the collapse of the Midlands motor cycle industry.

But the company believes there is still considerable growth left in the world market. It calculates that this will be about 5 per cent a year in the next decade, balanced towards quality machines and to Europe rather than to America. On this basis it is determined, as von Schulerburg says, to "give it a go."



Hidden perils from Brussels

BY MICHAEL LAFFERTY

WE IGNORE what goes on in Brussels at our peril. There can be no better example of this than the draft EEC 7th company law directive on the ordinary accounts, which was published last year by the European Commission.

Ostensibly, the directive simply requires that all those EEC countries which at present do not require groups of companies to publish consolidated accounts should do so. Yet on closer examination it turns out that what is actually being proposed amounts to a revolution in the basis of accounting, company law, and the rights of shareholders, employees and others to receive information about the companies in which they have interests.

In the U.K. every company with subsidiaries has been required to prepare consolidated accounts covering the operations of the whole group since the 1948 Companies Act came into force.

In continental Europe, on the other hand, consolidated accounts are far less common for a great variety of reasons but mainly, perhaps, because these countries have not had as active a capital market as has the U.K., nor as wide an investing public which demands reliable information.

Incentive

In addition, those European companies which happen to have a large body of shareholders have had little incentive to keep them informed because the shares in issue are in bearer form, with the result that shareholders are generally anonymous.

But anyone who has been entertaining hopes that the EEC will require Belgian holding companies, such as Société Générale, to publish U.K.-style consolidated accounts under the seventh directive will be disappointed.

Far from adopting the British and widely held international view that ownership of shares in subsidiaries by the holding company is the basis of a group, the Commission has decided that Europe needs something different. The Commission's view, which is adopted from German law, is that a group exists where two or more companies come under "central and unified management." The directive is concerned primarily with this group as an economic entity, and it ignores

Horizontal

the separate legal status of the individual companies of the group.

In other words, all business undertakings (whether they are companies or not) subject to central and unified management are group members, regardless of whether there is power of control through ownership. But subsidiaries in which ownership control exists would be excluded from a consolidation if they can be shown not to be subject to the centralised management.

It is, to say the least, questionable whether accounts prepared on this basis would be of any value to shareholders. But then the Commission does not take the typical capitalist view that shareholders are the only or even the principal interests of a company. Employees, creditors, Governments, tax authorities, and consumers appear to be equally high on its list of priorities.

This becomes more apparent when we look a little closer at the requirements of the directive.

Apart from overall consolidated accounts for a complete group it would also require non-EEC based multinationals to prepare consolidated accounts for all their EEC operations—the so-called "Community" consolidation. Sub-consolidations at all levels for sub-groups operating within the EEC; and horizontal consolidations for all EEC businesses which come under central and unified management.

As presently drafted, however, the directive would allow multinationals to get around this requirement simply by interposing a non-EEC holding company between the main company and its EEC subsidiaries. In addition, the usefulness of the exercise would be limited since Community undertakings would generally only form part of a whole group, and transactions between EEC concerns and sister or dominant undertakings outside the EEC would remain uneliminated.

But perhaps the oddest of all the directive's proposals are those on horizontal consolidations. Since the directive, unlike U.K. and U.S. consolidation rules, is not confined to limited companies, it follows that an individual businessman would be required to prepare consolidated accounts covering all the operations he manages.

This would no doubt provide fascinating disclosures about the power and wealth of individual families, but it is hardly realistic when, as in most countries, no reporting requirement for partner-ships, and other non-corporate business exists.

Altogether therefore it seems clear that the European Commission does not think that accounts should continue to be constructed around the notion that shareholders are the owners of the company and have priority in receiving information.

A possible compromise solution suggested by Mr. Tom Watts, the Price Waterhouse partner who advises the Government on EEC company accounting, would be to merge the Anglo-Saxon concept of a group with the EEC concept of central and unified management. This would preserve the status quo as far as the U.K. is concerned, while at the same time providing other interests with the information they need.

The 7th directive has already received the approval of the EEC Economic and Social Committee, which has a strong trade union influence, and it is currently taxing the resources of the European Parliament which appears to be a little out of its depth. Thereafter it will be discussed by a working party of the Council of Ministers for about two years, and should then be approved by the Council. Once that happens member states will have no option but to introduce legislation within 18 months, and the provisions will have to take effect within a further 30 months.

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No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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The personal borrower and the cost of credit

BY MICHAEL BLANDEN

The Bullock charade

THERE IS a large element of charade in the discussions which have been taking place this week between the CBI and the Government on the subject of industrial democracy.

Partisan For one thing is certain. The issue of industrial democracy, and of worker directors in particular, is not about to fade from the scene.

Virtually everyone is agreed that over the next few years there will be moves to give employees significantly more influence over the decisions which affect them, not just on the shop floor, but at the corporate level.

Second thoughts on Namibia

BARELY FIVE weeks ago, the five western members of the U.N. Security Council launched a new initiative in southern Africa which is aimed at finding parties in Namibia, while an internationally accepted solution to Namibia (South West Africa) is reached.

Cornerstone The initial aim of the western demarche has been to persuade Mr. Vorster, the South African Prime Minister, that South Africa's recipe for the territory's future has no chance of international acceptance.

Specifically what is wrong with the so-called Turnhalle conference and the constitution which it has been elaborating is that the South West African People's Organisation (SWAPO) which is recognised by the Organisation of African Unity as the authentic voice of the Namibian nationalism has been excluded both from participation in the constitutional negotiations and in government

THE DRAMATIC fall in the general level of interest rates this year has had its most obvious effects on the cost of overdrafts provided by the big banks. The cost of money has fallen sharply, bringing considerable relief to the banks' customers but presenting new problems for the banks themselves as a result of their difficulties in offering competitive rates for their deposit funds.

The personal loans offered by the banks have been a growing element in their business for types of finance where the fixed-term, fixed-rate format has been regarded as a more appropriate form of lending than the traditional floating-rate overdraft. For the finance of a new car purchase, for example, a bank manager would normally steer a personal customer in this direction; and the banks are required to observe the relevant instalment credit restrictions where a loan is being made for such an identifiable purpose.

The market in this area therefore overlaps with the finance provided by the instalment credit houses, either through their dealer links in the car trade or through direct personal loans. The banks also offer similar loans for home improvement and for particular types of commercial customer—National Westminster, for example, quotes fixed rates for farm development and for special business development purposes.

The banks and finance houses claim certain advantages for this type of finance for the customer. A loan with a pre-arranged repayment schedule, means that the borrower knows in advance exactly what his commitment will be during the period. Fixed loans are generally more expensive than the overdraft, with the rates charged by finance houses normally significantly higher still. But because rates on the fixed rate loans are changed only infrequently, their relative attractions can vary very considerably at times when the general level of interest rates is moving sharply.

Personal loan and instalment credit rates, for example, did rise in the latter part of last year, but the movement was nothing like as dramatic as the leap in overdraft costs when bank base rates went up to their peak 14 per cent. The downward trend this year has brought base rates down by 5½ per cent to a level implying that most personal customers will now pay rates in the range

of 11½-13 per cent, for an overdraft. Nevertheless, several banks have also recently announced cuts in the rates on personal loans and the big finance houses have been bringing down the cost of instalment credit. Recently changes were published by Barclays Bank and the Co-operative Bank. Barclays reduced the rate on new personal loans from May 2 by nearly 3 per cent. This bank now quotes the cost of these loans as a true interest rate—as opposed to the flat rate formula still widely in use—and the change brought the figure down from 19.56 per cent.

There are various ways of working out what this means in terms of a true rate. But the Midland calculation indicates effective rates which range on unsecured personal loans from 16.38 per cent, over six months to 17.51 per cent, for three years. For the two-year period which is at present standard under the regulations applying to car purchase, for example, the Midland rate works out at 17.72 per cent. National Westminster announced a round of reductions in interest charges in March. This bank still quotes its charges in terms of a flat interest rate, and cut the cost of

to 16.65 per cent. Similarly, the Co-op announced a reduction in the true rate of interest on personal loans for up to three years from 17 per cent to 15 per cent, at the same time bringing the cost of 3½ year home development loans down from 18 per cent to 15 per cent.

The Midland Bank brought its personal loan rates down a little earlier. In this case, the bank continues to work on the basis of a flat interest rate. This relates the charge to the amount of the initial loan; but because the loan is being repaid in instalments the average amount outstanding is less than the original loan and the true rate of interest much higher than the flat rate—very roughly, nearly double. All the big lenders now tell their customers what the true rate of interest is, anticipating the "truth-in-lending" regulations to be enforced under the Consumer Credit Act. The true rate, however, varies when related to a fixed flat rate according to the period of the loan.

Midland brought the basic flat rate on the initial loan down from 10 per cent to 9 per cent, which had been in force since they were set up to 2 per cent. Nominally, this meant a maximum true interest rate increase from 19.57 per cent to 26.83 per cent a year, a level which now looks high. But the real cost to customers is normally much less, because of the free credit period of between 25 and 56 days available to the user. Barclaycard reports, for example, that the actual average rate of return it receives from card-holders works out at 15 per cent.

The fall in rates this year, coupled with the improved earnings performance of the credit cards, may prompt both organisations to look at the possibility of lower charges. But they would certainly want to see a considerable period of stable markets at the present low levels before committing themselves to a decision which is not easily reversed—the cost of changing the interest rate, notifying all card-holders and altering the stationery, is too high to undertake too frequently. The instalment credit companies continue to complain

about the restrictions imposed on their lending, with repeated representations to the authorities for a relaxation in the controls on car purchase—which at present impose a one-third deposit and repayment over not more than 24 months—to extend the period to 36 months. Like the banks, however, they have been able to bring down the cost of loans from the increased levels which were generally imposed last autumn. Finance house loans are being provided directly to the customer, with a saving in costs and the prospect of a continuing business relationship, through the intermediary of a car dealer who has the option of taking a commission on the transaction.

Competitive pressures in the market have tended recently to lead to a reduction in rates even without specific action by the finance houses which are the ultimate source of the credit. Dealers have been prepared to reduce the amount of commission they charge in order to get new business; and in some cases special promotions have been subsidised by manufacturers to bring rates down to exceptionally low levels, as low as 7½ per cent flat. The normal going rate for a personal loan from a finance house, however, at present ranges upwards from around 11 per cent flat—equivalent to around 21 per cent on a true interest rate basis—following the reductions which have been introduced by most of the big lenders in the past couple of months.

This level of charges, however, is generally available only on special deals—for example, the arrangement which Mercantile Credit has to lend to AA members or Lombard North Central's agreements for RAC members. For the general public, personal loans direct from a finance house would attract interest rates of up to 12 or 13 per cent flat, which is equivalent to a true rate of up to around 23 per cent.

The rates which would be charged on dealer business are less easy to define, given the amount of flexibility in commissions. For a new car, the cost could vary at present between 12 per cent and 16 per cent flat—a true cost of up to around 30 per cent. Including full commission, the normal range at present is around the 15 per cent flat rate level. But the actual cost to the customer can be substantially less if the dealer forgoes commission. He is normally required to produce a minimum return to the finance house; one lending house for example requires a return of 11½ per cent flat. The finance houses are very directly affected by the sort of swings in interest rates which

Interest-free accounts

The banks face difficult circumstances, but are clear signs of being under pressure themselves. The portion of their resources tributed by interest-free accounts has fallen as deposits on which the bank paying interest at its related rates have grown the same time, the cost of attracting the current account has risen sharply as a result of the inflation of wage and costs, and the recent loss in charges have only offset this pressure.

The problem has also been reflected in the widening of the 2 between the big banks' lending rate and the rate offer on the normal savings branch deposits. This is now stands at 4½ per cent against the traditional 12 or 13 per cent flat, which is equivalent to a true rate of up to around 23 per cent.

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MEN AND MATTERS

Celebratory Times

The parents of the Daily Universal Register have added to the original name that of The Times which, being a monosyllabic, bids defiance to corruptors and mutilators of the language.

It was not until May 3, 1966 that a similar revolution occurred on the paper's front page when the traditional advertisements and announcements gave way to the more conventional front page of today. Even so The Times did make the occasional exception—the first being what is called in newspaper slang a "front page splash" for Nelson's victory at Trafalgar followed the next year by reports of a sensational murder accompanied by a woodblock artist's impression of the scene of the crime.

The Walters family kept control of their "child" through four generations of John Walters until Lord Northcliffe bought the paper and formed the Times Publishing Company in 1908. It was bought out by Major J. J. Astor, later Lord Astor of Hever, in 1922. The Walters family were represented on the The Times Board until 1966, the year in which Lord Thomson took control. To-day The Times celebrates publication of its 60,000th number with a two-page supplement carrying selected highlights of 192 consecutive years of distinguished journalism, in spite of recurrent, and continuing financial crises. It numbers among its staff a former editor of Men and Matters, the man who, in 1960, re-started this diary, originally created by Brendan Bracken. That man is William Rees-Mogg,

the current Editor. One more reason for our rather special congratulations to all our colleagues on The Times.

World Bank hush

The appendix to the final communiqué of last weekend's Downing Street summit included, inter alia, a hope that the World Bank, as its resources grow, will give special emphasis to projects which help the oil-importing developing countries to expand their domestic energy production. It was yet another indication of the ever increasing importance attached to an

The dividing line between high morality and priggishness is however, frequently a fine one, an observation which seems to be borne out by an internal controversy over the right of Bank staff to speak their mind in public, particularly about conditions in their own country. Mahbub Ul-Haq is the highly regarded Director of Policy Planning at the Bank. He is also a Pakistani. Last month the Washington Post ran an editorial which, very broadly, claimed that Prime Minister Bhutto was being unfairly criticised in the U.S. and elsewhere, for his current policies. Mahbub Ul-Haq took exception to the editorial and made this clear in the paper's letters column, not identifying himself as a senior member of the Bank but simply giving his Bethesda, Maryland, address.

But Washington is a small town and the Bank's hierarchy was not amused. It is understood that representations were made to Robert McNamara, the Bank's president, by Pakistani authorities. An intense, internal debate ensued around the issue of whether Bank personnel could legitimately voice their opinions in the numerous Washington cocktail parties and not

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David Fishlock, Science Editor, reveals details of the Soviet Union's nuclear energy policy.

Russia's nuclear power plans

PART of his discussions on Russian electricity and nuclear energy programmes, Anthony Wedgwood Benn, Secretary for Energy, meets Igor Morokov, first deputy director of the State Committee for Atomic Energy in Moscow. Back home, it is Mr. Wedgwood Benn who has been isolated himself from officials through his refusal to face any major decision under power policy. It is claimed that he has succeeded in preventing the Health, Safety and Environment Executive which reports to a different department from announcing that Government's nuclear programme would be a commercial one. Mr. Benn is expected to be in the U.K. next week, and Mr. Wedgwood Benn is likely to be in Moscow this week to discuss the apparent anti-nuclear energy policy. Mr. Benn's meeting in Moscow last week was so much a success that it has led to the behaviour of the delegation in Salzburg next week, when a senior U.S. industry figure publicly attacked the President's proposals, it is any guide, they certainly will not. The delegation, seated together and mainly unresponsive and uncommunicative, showed their disapproval of the U.S. speaker's remarks, applauding, smiling and nodding. At the Russians had already received a most eloquent report of President Carter's proliferation proposals at London meeting of the Nuclear Suppliers Group late last month. They did not comment on the U.S. proposals but

instead distributed a memorandum stating a position totally opposed to the new U.S. view. Their position simply accepts reprocessing of spent nuclear fuel and the use of plutonium as a fuel. Yet they are by no means unconstructive. The USSR reprocesses spent nuclear fuel for all the Eastern bloc nations, retaining the plutonium by-product. In other words, it already operates a regional reprocessing operation, albeit under one nation's control.

Inspectors

The memorandum stresses that it considers the "guidelines for nuclear transfers" already agreed informally by the Nuclear Suppliers Group and likely to be finally accepted at its next meeting in mid-summer as "minimal requirements" and urges further restrictions on nuclear exports. It calls for what are known as "full-scope" safeguards, in which prescribed items of technology, such as those essential to the construction of enrichment and reprocessing plants, are delivered only on condition that the recipient throws open all of his nuclear activities to International Atomic Energy Agency inspectors.

The USSR also proposes that nuclear fuel should be transferred from one nation to another with the condition that the receiving nation would re-transfer it only to a nuclear supplier nation (of which there are 15 in the clandestine "club" at present) or to a regional fuel cycle centre managed under international safeguards. This, says the memo, is the principle on which Russia already supplies fuel to other nations.

It emphasises its confidence in the regional fuel cycle centre, an IAEA concept which received considerable support from Dr. Henry Kissinger, when U.S. Secretary of State, but which has been abandoned by the new U.S. Administration. The Russian memorandum states tersely that the agency "should be more active" in studying the problems of international nuclear fuel centres and plutonium storage.

It also suggests that nuclear supplier nations should take more seriously, as a proliferation risk, the stocks of fissile materials such as plutonium and highly enriched uranium accumulated at the research centres of non-nuclear weapon States. Finally, the memorandum comments on the vexed question of what sanctions are to be taken against any nation found to be violating international agreements to control "sensitive" nuclear technology of the kind crucial to making nuclear explosives. It declares its "positive, in principle, attitude towards working out of such sanctions" and its readiness to "consider specific proposals on this question."

The USSR, along with the U.S. and Britain, is one of the three nations which over the past 20 years has worked hardest for the principle of non-proliferation. Its memorandum is a thoughtful and sensitive statement of positions from a nation which has exerted and still plans to exert a major influence as nuclear supplier to a large sector of the world market.

uranium, by about 25 per cent. According to Russia's Ministry of Power and Electrification, by 1975 installed nuclear capacity had reached 4,700 MW—2.2 per cent of all generating capacity in the USSR. Operating experience over the previous four years was satisfactory in terms of reliability, efficiency and safety.

In 1975 the Government announced a large nuclear programme to increase installed capacity to 13,000-15,000 MW by 1980. Because this followed a period in which, like many western nations, the USSR had curtailed nuclear expansion in favour of oil and gas, the decision made necessary a big build-up in nuclear manufacturing capacity. The Russian nuclear programme is based on two types of reactor. One is a gas-cooled water reactor (GWR), developed—as was the case in the U.S.—from work on a nuclear reactor. The other is a pressure-tube type of reactor called the RBMK, the equivalent of Britain's "steam" or steam-generating heavy water reactor, except that it uses graphite instead of heavy water as its moderator. If Britain with the commercial development of the steam reactor, there seems to be good cause for collaborating closely with the Russian programme, which has already commissioned two 1,000 MW RBMK reactors—larger than anything yet contemplated in Britain.

The Russian electricity Ministry's policy appears to be to divide the nuclear orders equally between the two types of reactor. But an imbalance became apparent during the 1970s because the ministry ever found the RBMK easier

to engineer than the more highly rated PWR.

By 1980 the Russian plan calls for no fewer than seven nuclear power stations with outputs exceeding 2,000 MW. All will be part of the European portion of the Russian "power pool" system, with a total output of 180,000 MW—nearly three times the size of the Central Electricity Generating Board's total power system. Four new large plants—two in the European sector and two in the Ukraine—are scheduled to be started.

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Two trends

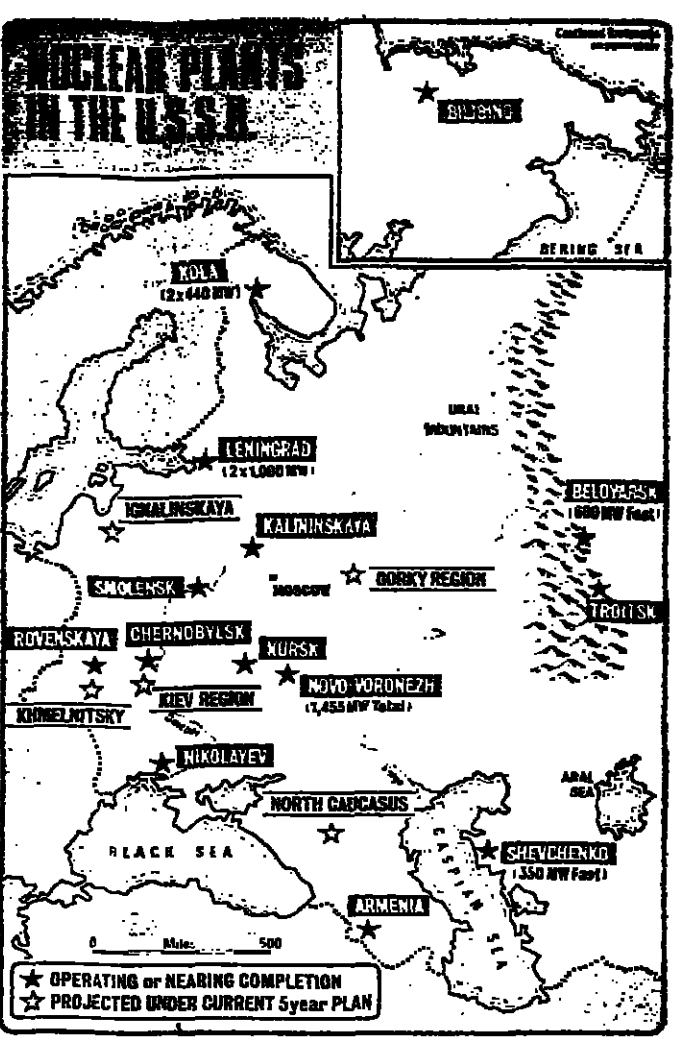
For the further development of nuclear power, the Russians see two important trends. One is the fast breeder reactor, for which it was the first nation to commission a large demonstration with its 1,000 MW (thermal) reactor at Shevchenko. This dual-purpose prototype, combining 150 MW of electricity with enough process steam to produce 5,000 tonnes an hour of distilled sea water, first produced power nearly four years ago.

The Russians have nearly completed a 600 MW demonstration fast breeder reactor at

Beloyarsk, of a design much closer to those of Britain and France. Under development is a commercial-size fast breeder reactor of 1,600 MW—rather bigger than those envisaged in the West.

As seen by the State Committee for Atomic Energy, the USSR's nuclear programme over the rest of this century must consist of a mixture of "thermal" reactors (RBMK and PWR) and fast breeder reactors, backed up by reprocessing plants of 500-600 tonnes a year throughput to extract the plutonium from spent fuel and recycle it as fast reactor fuel. The State Committee's estimate of how capital investment will be distributed among the four main sectors of the nuclear fuel cycle is given in the accompanying table.

Proportion of Russian nuclear fuel cycle cost	
Uranium refining	45-50
Enrichment	20-40
Fuel fabrication	10-20
Reprocessing	5-10



A significant part of Russia's nuclear development effort now appears to be aimed at heat-producing reactors, with experimental plants operating successfully at four or five sites. By the end of the century, it is estimated, 10-15 per cent of Russia's nuclear energy capacity could be delivered as heat, for large stations as far as 50 to 80 km. from the point of use.

Beyond its own borders the USSR is the major nuclear supplier and sole source of enrichment and reprocessing services to the satellite nations on the Council for Mutual Economic Assistance. By 1975, the nuclear capacity of these nations totalled 2,800 MW, with plants operating in Bulgaria, East Germany and Czechoslovakia. Today Hungary, Poland and Romania all have plans to under construction, and Cuba has recently announced plans to follow suit. By 1980 the satellites are expected to have an installed capacity approaching 10,000 MW, almost exclusively PWRs.

No less than those of his western allies, who have so far given him anti-proliferation proposals a very cool reception, the ambitious nuclear plans of the Eastern bloc could prove the undoing of President Carter's attempt to proscribe plutonium.

Letters to the Editor

Management of materials

Sir—The Institute of Chemical Engineers... Mr. A. B. Woodhead's letter on materials management... touches a vital point... a long time has been spent... the oil price... has held the limelight in recent years... must not forget, moreover, that a high proportion of the energy consumed goes into the conversion of raw material into saleable products... Mr. Woodhead's letter... on the need for a new approach to materials... a great deal of revolutionary re-thinking is going to be needed on such things as product specification and design... must learn to look with a keener eye on redundant elements in equipment and processes, to design and build for life and maintenance, to reduce waste and to consider use of recycling... The companies which do all this effectively are likely to derive direct benefit from lower material and energy costs and, in hopes, from product reputation, but this is not the whole story... going way beyond the management policy of individual manufacturing companies... The National Economic Development Office... has to its credit... effort to get the materials out, and I hope that it will use its undoubted influence to extend... of this important... not only into industry... many aspects of this problem which need to be studied... include identification of... (as opposed to... scarcity, the... of making... for long life and the need... incentives for manufacturers do so... My Institution will... exploring ways in which we can work together... wise management of... the same degree of... as the economic use... Mr. Woodhead's... S.W.1.

agging home production... exacerbate the decline in labour resources in agriculture... the most fundamental of all industries... is foolish at all times... and at the present time... I note that Liberal opposition to the 5p increase has the support of the Conservative Party... and clearly consider that it is more appropriate to represent their constituents than support any inflationary and divisive measures... which happen to be statistically arguable in the short term... Martin Pemberton, Liberal Office, King Street, York.

Aggro at the opera

Sir—Surely the time has come for an official crack-down on the alarming growth in opera house-gangsterism... Too often recently have we seen, in common with dozens of other decent, well-behaved music-lovers, gone to Covent Garden to enjoy the opera, only to suffer the senseless harping, shouting and clapping that now seems to follow every scene, if not indeed every number... Of particular concern is the age-group involved... it is a sad comment on our society that so many 40 to 60 year olds fix their eyes on the young performers after half past seven in the evening; they inevitably congregate in gangs, and that is when the aggro starts... Cannot the Minister for the Arts hold target talks with the board of directors of Covent Garden with a view to scotching this menace, which is undoubtedly driving ordinary peaceful patrons away from the art?

of financial marketing is needed to answer questions such as those that follow... Are equities in general, and not unit trusts in particular, suitable media for any but professional investors? The hedge-agents promoted as "hedge-agents" have failed in this aim, leaving much of the savings market disillusioned with them... Can the unit trust idea be adjusted, perhaps incorporating an element of guarantees, so that at the sacrifice of some profit?

Should the main clearing banks follow the lead of the Co-operative Bank, with interest on current accounts, that is, on consumers' most liquid reserves? Could the Government extend index-linked savings to lower age groups? Would this be attractive in the hoped-for period of moderate inflation? Could other institutions index-link?

minutes in a system using five minutes per consultation... This would be fine if GPs did not also have to do the following things, which cannot be delegated to other staff: Home visits, a seasonal work in hospitals, medical boards, medical reports and examinations for insurance companies and the DESS, attendance at numerous committees to ensure that the NHS administrators get the views of family doctors on health matters, telephone calls in ("Just a quick word with the doctor") and out ("Mrs. Jones is here for the result of her blood-test done ten days ago. Why haven't you received it?"), reading correspondence in, dictating and checking correspondence out, case conferences with ancillary nurses and health visitors, checking and signing repeat-prescriptions, vaccination certificates, claims for items of service payments, attending at postgraduate lectures to keep up-to-date, and in between all this, a little food, sleep and recreation so that we can give of our best which I hope Mr. Lamb will not begrudge us.

his fellow patients to stop smoking, eat more sensibly, and take more exercise; to try to manage self-limiting upper respiratory infections themselves, to sort out their marital problems with the qualified to do so, and not to regard a rise in body temperature as a reason for an instant summons to the doctor, then he might get his five—or even ten—minutes more... Colin D. Ellis, 161, Romford Road, Epsom, Surrey.

Devaluation and inflation

From Mr. B. Adler... Sir—Clearly one must agree entirely with Mr. Allenby's contention (May 7) that in the last resort the arguments in my letter (May 4) are against inflation... It is indeed arguable that inflation increases prices and thus reduces competitiveness... Inflation per se, however, does not cause a loss of competitiveness if it affects small quantities... It is the difference between the domestic and world wide rates of inflation which determines whether one is pricing oneself out of the world markets... My arguments therefore inferred that repeated devaluations are one of the main causes which have kept our past rate of inflation... This vicious spiral must somehow be broken by other means, rather than given another twist by allowing further "compensating" devaluations to take place, which would perpetuate and increase the gap between foreign and domestic inflation rates... This argument on the macro-economic scale was secondary... I am dazzled by the obvious-to-all fact that any devaluation helps to increase (albeit only for a limited period and to a limited extent until consequential inflation catches up with the costs) our export sales in the "off the shelf" or quick-delivery categories... Only those directly involved however realise that in competing for long term contracts a weak £ threatened by further devaluations is a hindrance and does not help even in the short term... This point and the technical reasons given in my previous letter which are only "gleamed" on the job, should be clearly understood by the academics and the policy makers... B. Adler, Peckham, Surrey Road West, Dole, Cheshire.

Medical costs

From Miss M. Williamson... Sir—Reference to Mr. Lamb's letter (May 7) about NHS patients only getting five minutes of their GP's time... financially-minded readers might be interested to know that prescriptions for drugs and medications are being cut down for economy reasons to absurdly small quantities... A prescription recently renewed was for only two (instead of the usual 20) small tablets, costing for me by a chemist at 13p plus 2p for the minute bottle... A reasoned protest to the local health Board, on the grounds that prescribing of small quantities at more frequent intervals would add substantially to administrative overheads and cause patients to pay extra visits to the surgery, only led to my being struck off that doctor's list and told to find another... From correspondence received from the local health Board, it appears that doctors have absolute discretion to prescribe "as they think fit" from which it follows that a patient can have no legitimate grounds for complaint, however small the quantity prescribed... The problem seems to me to be one of adequate representation of patients' interests within the NHS, at patients' level, and not at the level of view... Mary Williamson, 5, East Castle Road, Edinburgh.

Demands on a GP's time

From Dr. C. Ellis... Sir—Most doctors are well aware of the inadequacy of Mr. Lamb's five-minute appointment (May 7), but allowing him ten minutes, and every other patient, would in effect double the number of daily consulting

To-day's Events

- GENERAL**
NATO summit conference concludes, Lancaster House, London.
TUC economic committee meets.
U.S. and Soviet Union resume strategic arms limitation talks, Geneva.
Mr. Cyrus Vance, U.S. Secretary of State, meets Mr. Yigal Allon, Israeli Foreign Minister, London.
Conference "Britain's Economic Future—Time to Invest" continues, Berkeley Hotel, S.W.1.
Speakers include Mr. Eric Varley, Industry Secretary, Mr. David Bassett (GMWU), and Sir Derek Ezra, NCB chairman.
- PARLIAMENTARY BUSINESS**
House of Commons: Debate on Agricultural, EEC documents and Animal Health, Beef and Veal and CAP Prices.
House of Lords: Debate on present state of further education, Debate on role of trade unions in relation to freedom of Press and broadcasting, Debate on training of social workers.
Select Committee: Unopposed Bills: British Railways (4 p.m., room 8), Expenditure (Trade and Industry Sub-Committee), Subject: Fishing Industry (Northcliffe Hotel, Brixham). Overseas Development, Subject: Trade Policy and Aid Policy. Witnesses: Intermediate Technology Development Group (4.15 p.m., room 6), Nationalised Industries (Sub-Committee B), Subject: British Steel Corporation. Witnesses: TUC Steel Committee (10.45 a.m., room 8), Expenditure (Environment Sub-Committee), Subject: Public Expenditure White Paper (Housing), Witnesses: Department of Environment (4 p.m., room 15), European Legislation etc. (Sub-Committee 1), Subject: Conservation of Birds, Witnesses: Department of Environment (10.30 a.m., room 8), Nationalised Industries (Sub-Committee C), Subject: Regional Water Authorities, Witnesses: Southern Water Authority (4 p.m., room 8).
- COMPANY MEETINGS**
Abrasive International, Stratford-upon-Avon, 10.30. BTR, Cranford Hall, S.W.12, Biddle Holdings, Cafe Royal, W.12, C. T. Bowring, Vincuta House, E.C.12, Clerical Medical and General Life Assurance, 15, St. James Square, S.W., 2.30. Doranda, Howard Hotel, V.C.C. 12, English and Scottish Investors, 2, St. Mary Axe, E.C.4, 2.30. Greenbank, N. Accrington, 12.15, J. Hewitt, Stoke-on-Trent, 12. Jardine Japan Investment Trust, 3, Lombard Street, E.C.12, Molins, Gt. Eastern Hotel, E.C.12, Morgan Grenfell, 23, Gt. Winchester Street, E.C.3, 3.45. Thomas Robinson, Rochdale, 12, Royal Insurance, Liverpool, 12, Ulver, 14-20, St. Mary Ave, E.C.11.

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Like it ready

Mr. Woodhead's letter... touches a vital point... a long time has been spent... the oil price... has held the limelight in recent years... must not forget, moreover, that a high proportion of the energy consumed goes into the conversion of raw material into saleable products... Mr. Woodhead's letter... on the need for a new approach to materials... a great deal of revolutionary re-thinking is going to be needed on such things as product specification and design... must learn to look with a keener eye on redundant elements in equipment and processes, to design and build for life and maintenance, to reduce waste and to consider use of recycling... The companies which do all this effectively are likely to derive direct benefit from lower material and energy costs and, in hopes, from product reputation, but this is not the whole story... going way beyond the management policy of individual manufacturing companies... The National Economic Development Office... has to its credit... effort to get the materials out, and I hope that it will use its undoubted influence to extend... of this important... not only into industry... many aspects of this problem which need to be studied... include identification of... (as opposed to... scarcity, the... of making... for long life and the need... incentives for manufacturers do so... My Institution will... exploring ways in which we can work together... wise management of... the same degree of... as the economic use... Mr. Woodhead's... S.W.1.

Aspects of savings

From the Financial Markets Consultant, Savard Baker Advertising... Sir—My crystal ball gives no answer to the question raised by Anthony Harris (May 6) as to how much of consumers' expected increase in disposable income will go to spending and to saving—although it does seem to me that the surprising feature of the squeeze on consumers is not that savings have fallen, but that savings have fallen so far below what would be expected if real incomes rise, savings will take a high priority... The extent of this rise will, in some measure, depend on the policies of the financial institutions... It is at the first sign of several that promote the same financial "products" as in the late 1960s and early 1970s, they may well deter the saver, who has learned a number of bitter lessons. A considerable re-think

Transport in rural areas

From the Liberal Prospective Parliamentary Candidate York... Sir—Your leader (May 9) on "old duty" is correct in noting that the increase in price resulting from the Budget is of particular interest to residents in rural areas, but overlooks the timing problems of rural areas and lack of public transport in such areas... I argue that the 5p increase does not reflect the real rate of increase in rural areas... is to argue for the institutionalisation of inflation, something I believe that all business men are doing their best to avoid... are exhorted, quite correctly, to save as much of our transport bill as possible by encour-

in the... xester... estors

COMPANY NEWS + COMMENT

Mallinson turns in record £9.2m. surplus

International timber merchants, William Mallinson and Denny Mott, which proposes to change its name to Mallinson-Denny...

The U.K. contributed £114.75m. (£95.43m.) to turnover and £8.82m. (£5.33m.) to profits before group interest charges of £3.09m. (£3.11m.). For the first half total pre-tax profit was £4.7m. (£1.89m.).

For the first four months of the current year the value of U.K. turnover was 19 per cent. ahead and the directors describe this as an encouraging start.

Stated earnings per 25p share for 1976 rose from 5.71p to 5.82p and a final dividend of 1.5p net lifts the net total from 1.875p to 2.5p on increased capital. Treasury consent was obtained at the time of the rights issue.

Reserves have increased by £4.84m. to £16.64m. Mainly as a result of stock appreciation relief deferred tax increased by more than £2m. to £10.26m.

A breakdown of turnover and profit (before interest payments), excluding the U.K. results, shows that other EEC countries contributed £10.34m. (£5.55m.) and 0.17m. loss (£0.12m. loss).

Australia £10.9m. (£7.32m.) and £0.53m. (£0.37m.), the Far East £29.0m. (£24.78m.) and £3.37m. (£2.57m.) and the U.S. £0.25m. (£0.43m.) and £14,000 (£23,000). The results do not include Thompson Mahogany Company of the U.S. acquired in December, 1976.

Net tangible assets per share were 59p (49p).

Table with 2 columns: 1976, 1975. Rows include External sales, Trading profit, Interest, Profit before tax, U.K. tax, Overseas tax, Net profit, Minority interests, Attributable, Preference div., Ordinary dividend, Retained.

comment

In common with the other timber merchants, Mallinson had a substantial rise in profits in 1976. It particularly benefited from the fact that its accounting period coincided with the best part of the run-up in timber prices and also from its rights issue. The merchants generally could see a downturn in 1977, with demand sluggish and prices more stable since sterling seems to have recovered its poise...

HIGHLIGHTS

First quarter figures for Unilever are disappointing, showing a slight drop in profits; this reflects partly the reduced interests in Nigeria and partly the pressures on the Continental and U.S. operations. In contrast, the figures from Costain are better than expected with the growth at the pre-tax level coming out at 54 per cent., while the work load has risen 48 per cent. to £650m. Lex also comments on the proposals of substantial cutbacks by the Burton Group. Boosted by currency gains, Lesney has performed in line with other toy companies, while a first quarter gain of 25 per cent. at Smith and Nephew is in line with the forecast. Averys finished the year on a strong note thanks in main to the international division, while Wm. Mallinson had a bonanza year in line with the general timber sector.

Foster Bros. steady at £4.1m.

CLOTHIERS: tailors and out-fitters, Foster Brothers Clothing Company maintained its profit levels by a strict control on overheads and margins and pre-tax profit for the year to February 28, 1977, was steady at £4.1m. compared with £4.1m. for the previous 53 weeks.

Profit at halfway was behind from £1.81m. to £1.86m. The directors say that although trading has been disappointing so far in the current year, the group is in a position to tackle immediate advantage of any upturn in the market, and they hope that profits will show an increase.

Stated earnings per 25p share are shown as 3.4p against 3.1p and the dividend is lifted to 2.55175p (2.2p) the maximum allowed, as forecast, with a second interim of 1.38825p net.

comment

The area of the menswear trade in which the group predominantly operates continues to be difficult, the directors say. The group plans to widen the ranges being sold so as to appeal additionally to a younger market. Excellent progress is being maintained in Adams Childrenswear and it will make a worthwhile contribution to profits in the current year, they add. In 1977 a radical programme of closing certain non-profit earning units will be carried out and two factories have already been sold. It is intended to discontinue the present Stone-Dri retail

Central & Sheerwood up £1.14m.

PRE-TAX PROFIT of Central and Sheerwood in the second half of 1976 rose by £0.75m. to £1.80m. in line with the directors' forecast at halfway that second half figures would exceed those for the first half. The rise at midway was from £1.07m. to £1.46m. The group turned in an advance of £1.14m. to £3.34m. for the full year.

The directors state that the current level of profitability indicates another record year in 1977, and this, together with a strong balance sheet, provides a sound basis for further considerable expansion.

Earnings per 5p share are shown ahead from 2.25p to 4.92p, and the dividend total is raised by the maximum permitted from 1.91588p to 2.1075p with a net final of 1.1075p.

comment

The rate of profits growth at Central & Sheerwood accelerated to 85 per cent. in the second half, making for an improvement of 53 per cent. for the year as a whole. Now the tax charge has been brought down to more normal levels, the earnings improvement is even more dramatic at 126 per cent. The trading background is one of continuing improvement in the major engineering subsidiaries, helped by a strong export drive, together with loss elimination in some of the smaller companies. The current year should see further improvement and when the draze lines are brought into the profit and loss account in 1978, profits could be of quite a different order than at present. The shares dropped a penny to 37p yesterday probably because of a heavy buy account ahead of the results. The p/e of 7.3 and the yield of 9 per cent. do not appear to reflect the above-average prospects.

Toye recovers to £155,274

For 1976 the taxable profit of Toye and Company recovered to £155,274, including an extraordinary credit of £51,346, against a depressed £24,531 for 1975.

Turnover was up from £3.6m. to £4.24m. At half-way profit was £65,921 compared with £69,525. The directors say that sales during the first quarter of the current year were 15 per cent. higher than last year, and the improvement is expected to continue.

Earnings per 25p share are shown as 1.59p (0.99p) and the dividend is increased from 0.65p to 0.8125p net, absorbing £14,404 (£14,612) after waivers.

The amount attributable came out at £55,773 (£1,307) after tax of £69,489 (£23,524). The principal activities of the group are the manufacture and

sale of civil and military regalia, including the weaving of ribbons, narrow fabrics and screen printing, etc.

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Ambrose Inv.

Pre-tax revenue of Ambrose Investment Trust for the year ended March 31, 1977, rose from £397,582 to £483,962.

The final dividend of 2.5p net per 25p income share lifts the total from 3.25p to 4p.

Asset value per income share is shown as 30p (29.55p), and per capital share as 89.17p (82.92p). Tax charge for the year was £168,491 (£136,732).

The final dividend of 2.5p net per 25p income share lifts the total from 3.25p to 4p.

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date, Corro. for, Total for year, Total last year. Includes Aberdeen Investments, Ambrose Trust, Averys, Barlows, etc.

Dividends shown below per share net except where otherwise stated. Dividends for scrip issue. * On capital increased by rights and/or acquisition issues.

CMT ahead at £1.75m. midway

FOR the six months to January 31, 1977, Central Manufacturing and Trading Group achieved taxable profits of £1.75m. compared with £1.26m. on turnover up from £21.1m. to £28.23m.

The diversity of the group's activities has helped to produce this improvement in profitability, and the directors anticipated that during the second half the revival in home demand would enable the group to move ahead once more within the limits imposed by continued-inflation measures—their enforced restriction would then have ended.

At the attributable level, profit is 18.4 per cent. higher at £1.91m.

comment

Smith and Nephew's first quarter profits advance of 25 per cent. is in line with the forecast. Despite the exchange loss which was due solely to the firmness in the pound since the end of last year, the overseas trading picture is firm and losses in the U.S. on the cosmetics side are lower than the comparable figure for 1976. In the U.K. the textile and medical divisions have extended their trading gains while the improvement from associated companies, mainly reflects buoyant conditions at British Tissue. The 24 per cent. rise in interest charges reflects higher interest rates rather than increased debt—but over the year this item should fall on the back of the downward trend in interest rates in 1977. If Smith and Nephew can maintain the momentum, the prospective fully diluted p/e is 9.3 at 51p and maximum yield is 7.2 per cent.

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Border & Southern

For the half-year to March 31, 1977 total income of Border and Southern Stockholders Trust rose from £1.15m. to £1.42m.

Expenses took £220,903 (£236,143) and tax £484,209 (£283,122).

As already announced, the interim dividend per 50p share is 2.5p (1.75p) net. Total for last year was 5.5p.

Net asset value per share at March 31 was 38.1p (42.6p).

Usher-Walker similar at £0.48m.

Makers of printing ink and rollers, Usher-Walker, improved its turnover from £4.12m. to £4.55m. during 1976 and profit was steady at £23,444, compared with £370,000, subject to tax £251,787 (£252,730). The retained figure is £190,882, against £157,146.

Stated earnings per 10p share

Republic of Uruguay Central Bank of Uruguay Treasury Bonds

Palmar Hydroelectric Dam 1st Series

On May 12, 1977, the Central bank of Uruguay, will receive proposals for the issue of 10-year Treasury Bonds in the amount of US Dollars 15,000,000 at a 10 per cent. annual interest and redemption at par starting 1983.

BNP logo and contact information for Banque Nationale de Paris Limited.

Second half lifts Averys to £14.7m.

SECOND-HALF 1976 pre-tax profits of Averys, testing and measuring machine manufacturers, rose by £2.04m. to £9.21m. At halfway, reporting an increase in profit from £3.57m. to £5.68m., the directors said that the second half should show some improvement over the corresponding period for 1975. The advance put the company £5.83m. ahead at £14.67m. for the year as a whole.

Earnings per 25p share are shown to be up from 12p to 18.8p and the final dividend of 7.55p lifts the total from 4.725p to 5.20145p.

Barr & WAT at £1.1m.

AFTER A midway advance of £548,226 to £804,008, Barr Wallace Aroold Trust saw record pre-tax profit of £1.1m. compared with £820,000 turnover up from £28.1m. to £30.31m.

Stated earnings per 25p share are shown as 12.75p against the dividend of 9.25p (£2,275p (£3,025p) net of £1.1m.). The group is involved in package tours, car sales of 1977.

Trading profits at Averys went ahead strongly in the second half led by the international division (where the extent of the uplift in the second half was 2.5p) and the textile (minorities). There was also further recovery at

ISSUE NEWS

Yearling at 9 3/8%

The coupon rate on this week's issue of local authority yearlings bonds has inched ahead one eighth of a point to 9 3/8 per cent. The bonds are due on May 17, 1978, at par.

The issues are: Alnwick District Council (£20m.), Calderdale District Council (£10m.), London Borough of Greenwich (£1m.), City of Stoke-on-Trent (£1m.), Test Valley District Council (£1m.), Metropolitan Borough of Spalding (£2m.), Barnet and Bowditch Metropolitan Council (£1m.), Luton Borough Council (£1m.), Cumbernauld and Kilsyth District Council (£1m.), Vale of Glamorgan District Council (£1m.), Gravesham Borough Council (£1m.), Doncaster Metropolitan Borough Council (£1m.), Boothferry District Council (£1m.), Hertfordshire County Council (£1m.), London Borough of Redbridge (£1m.), West Yorkshire Council (£1m.), Doncaster Metropolitan Borough Council (£1m.), South Pembrokeshire District Council (£1m.), London Borough of Westminster (£1m.), City of Liverpool (£1m.), City of Glasgow District Council (£1m.), City of Leicester (£1m.), Tandridge District Council (£1m.).

WATER ISSUES

Underwriting has been completed for an Offer for Tender of £2.25m. of 3 1/2 per cent. Redeemable Preference 1982, on behalf of the District Water Company and Wrexham and East Shire Water Company (L). Full particulars will be available on Thursday.

Brokers to the issue: Seymour, Pierce & Co. DALGETY—£7.2 The £11.9m. rights issue by Dalgety on the basis of four at 187p per share 1 North - Warwickshire Borough taken up as to 87.2 per cent.

ManuLife logo and text: The Manufacturers Life Insurance Company. Announces the reorganisation of its United Kingdom Investment Office to ManuLife International Investment Office.

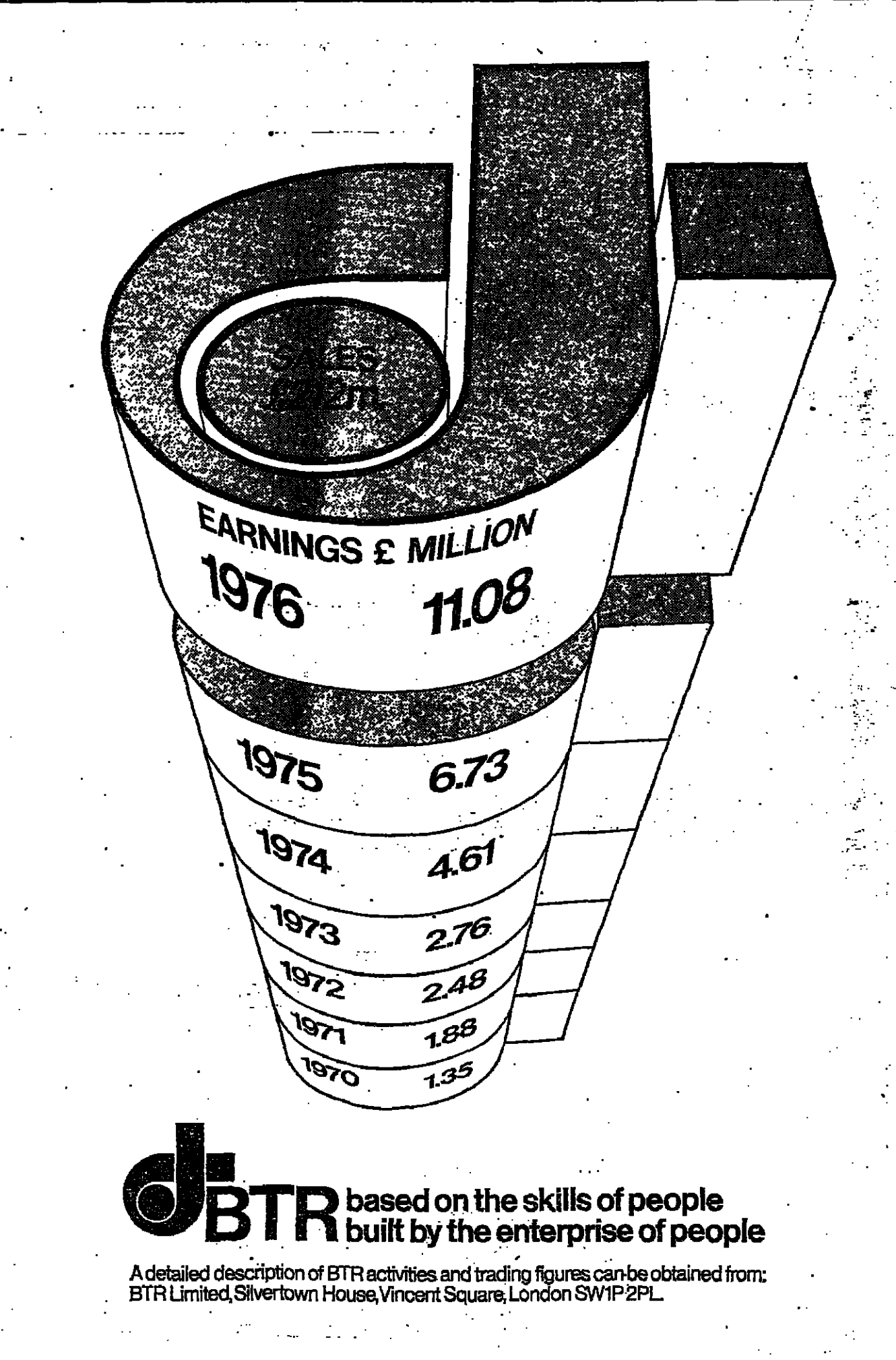
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Handwritten note: 1976 11.08

Unilever first quarter profit £129m.

SALES of the combined Unilever companies rose 13.3 per cent in the first three months of 1977 and operating profit was £129m. at the pre-tax level the figure was £129.2m.

The results show a 13 per cent increase, a decrease of 9 per cent in operating profit, and a 3 per cent drop at the pre-tax level. However, excluding the effect of the change in the shareholding of UAC of Nigeria from 60 per cent to 40 per cent, which means that it becomes an associate and not a subsidiary, sales rose by 17 per cent in value and 3 per cent in volume, and operating profit improved by 6 per cent.

Third party sales include a contribution of £1,533m. (£1,221m.) from the NV company and £18.7m. (£20.3m.) to the total attributable profit of £51.4m. (£52.3m.).

Stated earnings per share are down from 18.7p to 15.84p.

The directors report that in Europe total operating profit was slightly above last year's first quarter significantly better results in the U.K. being largely offset by a deterioration in those on the Continent. European margins for consumer goods were affected by inability fully to recover substantial increases in raw material costs, owing in some cases to the effects of price controls. Results of chemicals, of paper, plastics and packaging were also affected. Feeds were above 1976. Oil milling, detergents and toilet preparations fagged behind.

In Canada and the U.S. the business other than Lipton Inc. had a difficult start to the year. Total results of other overseas countries were well up on the corresponding 1976 quarter.

UAC International had a good quarter. Had it not been for the effect of the reduction of its shareholding in Nigeria, its results would have shown a satisfactory improvement.

Tax on profit of the year has increased, partly because of higher German profit tax rate and partly because of a non-recurring tax charge in Nigeria. The rise in German profit tax is also the main reason for the increase in tax adjustments of previous years since additional provision had to be made for deferred tax liabilities. Thus, non-recurring tax charges in the quarter amounted to £5.3m.

The 1976 figures are restated on the new accounting basis; sales and operating profits for that year are unaffected but profit before tax and profit attributable are increased in the first quarter by some 1 per cent over the originally published figures, due to the inclusion from associates which were previously treated as trade investments.

See Lex Statement, Page 23

Turriff tops £0.8m. - scrip

THE INTERNATIONAL engineering and contracting group, Turriff Corporation, increased pre-tax profits from £659,910 to £812,372 for 1977 on group turnover up from £24m. to £26m.

Profit after tax is £382,301 compared with £308,370 before a write-off of £180,965 in connection with the settlement of the Barbian and Sudan contracts; minority interests amount to £5,532 (£1,851).

Stated earnings per 25p share rose 25 per cent from 14.2p to 17.8p and the dividend is 4.15p per share (3.7515p), the maximum permitted. The company's scrip issue is also proposed to achieve a more realistic balance between share capital and reserves.

At half way profit increased from £0.28m. to £0.31m.

MINING NEWS

Old Homestake is still going strong

BY KENNETH MARSTON, MINING EDITOR

AMERICA'S biggest surviving copper mine is the Homestake property near Sooty Hill in the Black Hills of South Dakota. Its store began in 1874 when General Custer's men on an army expedition found placer gold in the nearby streams.

First mining of the deposit began in 1875 and in the ensuing years Homestake produced over 30m. ounces of gold. The early soft hats and candles have long been replaced by modern equipment and the great old mine is still going strong.

Homestake's centenary last year was marked by the fall in the bullion price which resulted in the gold operations running into losses after having contributed 35 per cent of the company's total operating earnings in 1972.

Thanks to the uranium and lead-zinc activities, however, coupled with a \$3m. (£1.7m.) profit on the sale of gold, Homestake made net income last year of \$21.9m. (£12.7m.), or \$1.93 per share, compared with \$24.2m. in 1976.

Better tidings are in store for the current year. Homestake president, Mr. Paul Henshaw, anticipates increased earnings from silver, lead and zinc while last year's "substantial rate of production" is expected to continue in 1977. From next year on uranium earnings will depend on the extent and timing of the new Pitch mine and the sale of production from other sources.

As far as gold is concerned, the Old Homestake mine must now be back to profits in the light of the president's disclosure that it cost about \$100 per ounce to produce around \$130 per ounce bullion was \$147 yesterday. Meanwhile, Homestake is backing its faith in gold in Australia via the 48 per cent stake held in Mt. Charles Uranium Ltd. The mine is still operating in the once-famous Kalgoorlie goldfield.

The other 52 per cent is held by Kalgoorlie Lake View and the two companies are going ahead with a \$10m. uranium production plant programme. This is designed to reduce costs, which are currently \$4125 per ounce (\$138), by about \$410 per ounce. If successful the scheme will thus prolong the life of Mt. Charles. Homestake are around \$41 in New York.

Union Miniere profits drop

DESPITE BETTER metal sales, the Belgian group, Union Miniere, suffered a 16.5 per cent fall in net profits last year. Earnings were B.Fr.519.76m. (£132m.) against B.Fr.581.46m. (£145m.) in 1976. Earlier the group had announced a lower dividend for the year at B.Fr.500 (£9.66), down from B.Fr.700 the previous year.

Union Miniere states in its annual report that income from company deposits and advances was affected by the fall in short-term interest rates where dollar investments were concerned.

Although there was an unimpressive start for the Thierry copper project in Ontario, the group's operating results showed a marked improvement, producing income of B.Fr.319.9m. compared with a loss of B.Fr.200.5m. in 1976. Thierry came into production last August at a higher cost than originally expected, and lost a month's production because of strikes.

The report adds that the group's U.S. subsidiary, Union Mines, is to establish a company to hold a 45 per cent interest in the Orade Ridge copper project in Arizona. The other shareholder is Continental Materials of Chicago.

Union Miniere shares were \$21, down 1, yesterday in advance of the report.

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ENNIA NV

Shareholders are invited to attend the annual General Meeting of Shareholders to be held in the "Residential" of the Promenade Hotel, Van Stollweg 1 at The Hague on Thursday the 2nd June 1977 at 10.30 a.m.

AGENDA

1. Opening.
2. Minutes of the meeting of June 3rd. 1976.
3. Report of the Management Board for the financial year 1976.
4. Discussion and approval of the annual accounts for 1976 as confirmed by the Supervisory Board.
5. Notification of retirement and appointment of a member of the Management Board. By reason of reaching the age limit Mr. E. B. H. van der Schoot will retire from the Management Board. The Supervisory Board intend to appoint Mr. P. L. van der Meulen as a new member of the Management Board.
6. Retirement and appointment or reappointment of Supervisory Directors. In conformity with Article 14, paragraph 3 of the Articles of Association, Mr. J. Bosman, Mr. C. de Ranitz and Mr. K. Soesbeek are due to retire at the end of the year. Mr. de Ranitz and Mr. Soesbeek will not be eligible for reappointment by reason of their reaching the age limit. The Supervisory Board intend to reappoint Mr. Bosman and to appoint Mr. E. ten Duis and Mr. H. Rijpkema as new members of the Supervisory Board.
7. Vacancies in the Supervisory Board in 1976. At the annual General Meeting of Shareholders to be held in 1978 Mr. R. van den Berg, Mr. J. Engelbrecht, Mr. W. T. Kroese and Mr. W. Scholten will be due to retire. All these vacancies will be filled by reappointment.
8. Appointment of Auditors. A proposal will be made to reappoint Moret & Langer as Auditors.
9. To consider and if thought fit to pass the following resolution "that subject to the approval of the Supervisory Board of Ennia N.V., the Management Board be authorised to issue Ordinary Shares up to an amount not exceeding ten per cent of the then Ennia Ordinary Share Capital without the same being first offered to existing equity shareholders in accordance with the Listing Agreement of the London Stock Exchange."
10. Any other business.
11. General.

Holders of share certificates (BDRs) of the Company are entitled to attend, and take part in the discussions, but may not vote. Admission will be by presentation of written proof that their certificates have been deposited at the office of a member of the "Vereniging voor de Effectenhandel" in the Netherlands or in England, at the office of "Algemeen Bank Nederland N.V." in London.

The share certificates must be deposited not later than the 31st May 1977.

Holders of shares or share certificates (BDRs) may obtain free copies of the documents to be discussed at the meeting at the Company's offices in The Hague, Amsterdam and at the office of Ennia Insurance Company (U.K.) Limited in London.

The Hague, May 11th, 1977. Management Board.

*The information required by law concerning the above mentioned gentlemen is available for inspection at the Company's offices at The Hague, Amsterdam and at the office of Ennia Insurance Company (U.K.) Limited in London.

35% rise by Ellerman Lines

AN INCREASE in pre-tax profits of 35.3 per cent is reported by Ellerman Lines, the diversified shipping and operating group. Pre-tax profits for 1976 jumped to a record of £12.4m. compared with \$9.2m.

Net earnings per deferred Ordinary stock unit are £1.60 compared with £1.06 for the preceding year.

The final dividend per deferred Ordinary stock unit is £1.60 which makes a total of 5.445p compared with 4.85p.

Turnover was £137m. against £99m. This year's figure includes a 12-month contribution from the J. W. Cameron brewing division, compared with about three and a half months' contribution in the previous year. On September 11, 1976, Ellerman Lines took over 70 per cent of the shares of Cameron it did not already own.

chairman, reports that the shipping division—Ellerman City Lines—had a better year, contributing a trading profit which, at £4.6m., was £2.9m. more than in 1976. "Most of this increase," says Mr. Martin-Jenkins, "came from our investments in Associated Container Transportation (Australia) and Ben Line Containers, but many of our exclusive trades also succeeded."

J. W. Cameron, the brewing division, registered a considerable profit increase and the division achieved volume growth well above the national average. He states, "Turnover was £31.5m. (£26.27m.), and profit was £1.44m. (£1.38m.) after tax of £1.67m. (£1.02m.). Profit attributable was £1.4m. (£1.36m.). Profit on trading includes profit on sales of properties £294,000 (£83,000), it is stated.

The Ordinary dividend absorbs £388,000.

The accounting date was changed to December to coincide with the holding company and comparisons have been calculated from internal accounts.

No payment of corporation tax is expected as a result of group relief available from the holding company.

EWL, the transport division, turned in a trading profit for the year of £718,000, about £390,000 up on 1976. Of this increase, the shipping and forwarding activities were the main contributors, members are told.

The travel and leisure division, however, had a most difficult year and much remedial action was taken during 1976. Bookings for this year are so far showing the

benefits of this policy and there are signs of an improved 1977, Mr. Martin-Jenkins states.

The investment services division, which includes the London and Hull insurance group, had a satisfactory year, he reports. He is confident that the divisional base is constantly being strengthened and that it will be a source of sound profitability for the future.

Turning to the company's plans for the future, Mr. Martin-Jenkins says that Ellerman Lines still wants to balance its large and growing shipping operations with non-shipping activities. Despite increasing borrowings associated with further shipping investment, the group has its resources to diversify, he states.

"During the year we increased our brewing capacity and outlets and invested in property through the extension of our head office building and the Belfry Hotel complex," Mr. Martin-Jenkins reports.

"In 1976 we also spent large sums on shipping assets. We took delivery of three new advanced cargo liners and one of our roll on/roll off ships, Hero, was lengthened to increase her cargo capacity."

"In 1977, together with our partners, we will take delivery of Uncle John, a uniquely versatile ship for supporting the offshore oil industry for ACT 7. This ship, in the Associated Containers, Transportation (Australia) trades, and of City of Durban for the new South Africa container service. We have also ordered five ships from British Shipbuilders in the Scandinavian and Mediterranean trades."

Mr. Martin-Jenkins does not expect Ellerman Lines to make 1976's £3.1m. in the first half of this year, but thinks that the company will finish 1977 at approximately the same level as last year. He feels more optimistic about 1978, however, when the group's large investment programme should begin to realise its earning potential.

Net working capital increased during the year by £3.88m., compared with a decrease of £1.6m. The annual meeting will be held at the Connaught Rooms, Great Queen Street, W.C. on June 2 at noon.

1976	1975	
Turnover	137,000	99,000
Trading profit	4,600	96,674
Share of associates	1,576	1,001
Investment income	5,773	5,092
Finance charges	(1,276)	(1,726)
Profit before tax	12,400	9,936
Taxation	(2,500)	(4,228)
Net profit	9,900	5,708
Minorities	26	47
Mykings	6,375	4,275
Extraordinary debits	(224)	(488)
Attributable	6,726	3,946
Dividends	275	238
Reserves	3,248	3,460
Ellerman Lines	788	1,789
Subsidiary companies	3,219	1,449
Associated companies	719	708

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Oil Exploration (Holdings) Limited

INCREASED EARNINGS AND DIVIDEND

The Group, which is engaged in the exploration for and production of oil and gas in the United Kingdom and North America showed the following results for 1976:

1976	1975	
Group Turnover	2,479,550	1,892,426
Operating Profit	1,497,046	1,232,322
Profit after exploration written off and taxation	670,888	360,840
Earnings per Share	6.39p	3.44p
Dividend per Share	1.887p	1.718p

The Group has a 5.52% interest in the "Thelma" oil discovery on block 16/17 in the U.K. Sector. In December the Group acquired the U.S. production company Bates Oil Corporation. "The Group is now more broadly based both geographically and operationally and is consequently better placed to fulfil its exploration and development commitments in the U.K. Continental Shelf and elsewhere."

C. M. Dalley, C.M.G. Chairman

Copies of the 1976 Report and Accounts may be obtained from the Secretary, Oil Exploration (Holdings) Limited, Erskine House, 68 Queen Street, Edinburgh.

60% jump by Kwik-Fit to £0.5m.

Taxable profit of Kwik-Fit (Types and Exchangers) Holdings increased by 60 per cent to a record £0.5m. for the year to February 28, 1977, after £0.23m. (£0.13m.) at half time.

The comparative year-end profit is restated from £0.34m. because of changes in accounting policies. Turnover improved from £3.59m. to £7.91m. Net profit was £0.29m. (£0.16m.) after tax of £0.23m. (£0.10m.).

On increased capital earnings per 25p share rose from 4.12p to 5.72p—final dividend is 1.125p net and the total 1.75p (1.25p).

Sales of types and exchangers through the Kwik-Fit fitting stations increased by 52 per cent. After a period of consolidation, four more depots will be opening shortly and the company is looking for new locations, says the directors.

Dorsman, the Dutch subsidiary, made the anticipated progress in the second half, and the results of this division proved to be most satisfactory. The long-term loan of 5m. guilders, incurred when purchasing Dorsman, has been favourably renegotiated with Dutch bankers which should ensure that repayments are met out of overseas earnings without recourse to U.K. funds.

Expansion by Slough in Australia

Slough Estates Pty, the Australian subsidiary of Slough Estates, has acquired a 14-acre site at Alexandria, Sydney, from Unilever. The site contains 110,000 square feet of warehousing and it is proposed to develop a further 4m. square feet. Slough has also acquired a seven acre industrial site in Melbourne, close to its existing estate at Waverley.

GEOMETALS HAS A PARTNER

Australia's Geometals has entered into an agreement with Consolidated Morrison Exploration

Unit trusts bar tin move

increase in 1976-77 dividends over 1975-76 of 62 per cent for the unit trusts, 72 per cent for individual shareholders and 124 per cent for Malaysian shareholders.

Under the company proposals he calculated the increases at 8 per cent, 35 per cent and 194 per cent respectively. After the meetings he adjusted downwards the calculated rises for Malaysian shareholders.

Mr. St. Giles was supported at the meetings by representatives from the M. and G. Group, Save and Prosper, and Britannia.

Mr. Dunne rejected the request on the grounds that there would be a wasteful payment of Advanced Corporation Tax and that there would be an adverse effect on the company's cash assets.

The Stock Market took the news of the meetings calmly and the shares of the companies involved closed unchanged.

TRONOH'S TIN PRODUCTION

Tin concentrate production at Tronoh last month was affected by the shutdown of the Bidor No. 4 dredge for 17 days for repairs to the dredge. The company's output for the last four months, however, is still ahead at 728 tonnes against 640 tonnes a year ago.

Ayer Hitam's 10-month output has reached 3,504 tonnes against 3,000 tonnes in the same period of 1975-76 while that of Supena (formerly Sungai Way) is 538 tonnes against 448 tonnes.

Stag Furniture Holdings Ltd.

1976	1975	
£000	£000	
Turnover	14,772	10,557
Pre-tax Profits	1,565	1,302
Earnings per Ordinary Share	18.49p	*16.01p
Total Net Dividend per Ordinary Share	4.3042p	*3.9130p

*adjusted for capitalisation issue.

Points from the statement by Mr. P. V. Radford, Chairman

- Record profits for sixth successive year. Turnover increased by 40%; pre-tax profit by 20%.
- Company in a strong and liquid financial position.
- Satisfactory trading in the first three months of 1977.

Copies of the Report & Accounts may be obtained from the Secretary, Stag Furniture Holdings Limited, Haydn Road, Nottingham NG5 1DU.

ABRASIVES INTERNATIONAL LIMITED

Policy of reorganisation

Salient points from the circulated statement of the Chairman, Mr. S. I. Ashworth:

- * The profit before taxation for the year ended 31st December 1976 was £6,061 (1975 £35,505) and this is a very disappointing result, mainly attributable to our inability to pass on suppliers' increased prices, export sales for the period not achieving expectations, and inefficiencies within machine engineering.
- * The profitability of the service and consumer products side of Abrasives Developments Limited continues at a satisfactory level. The engineering operations however have not been satisfactory and reorganisation is taking place. Associated Fabricated Products (Henley) Limited has continued to trade profitably.
- * In the circumstances, and bearing in mind reorganisation costs, your directors feel it would be imprudent to pay any further dividend in respect of the year. Accordingly, the total dividend for the year is represented by the interim dividend already paid amounting to 0.56p per share.
- * Action has been initiated to improve the group's performance. Some beneficial effects of these remedial measures are becoming apparent, but it is still too early to indicate whether or not we are on the way to complete recovery.

Copies of the Report and Accounts may be obtained from The Secretary, Norman House, Henley-in-Arden, Solihull, West Midlands

Union Miniere

Registered Office: Rue de la Stalle 11-1000-Brussels. Telephone No. 13377. Telex No. 402536123. Co-ordinated Statutes have been published in the annexes of the "Monitor Belge" on March 23, 1968 and April 4, 1968.

BALANCE SHEET AT DECEMBER 31, 1976 (in B.Fr.)		
ASSETS	21-12-1976	31-12-1976
Fixed Assets	264,197,298	265,211,166
Buildings, equipment, furniture and fittings	124,840,614	121,022,014
Less: Depreciation	(90,643,316)	(95,810,848)
Net Fixed Assets	173,554,982	169,401,316
Current Assets	1,302,000,000	1,302,000,000
Investments	3,858,000,000	7,450,500,000
Less: Amounts to be called up	(17,072,000)	(197,000,000)
Net Current Assets	9,543,028,000	7,253,500,000
Metals and other products	1,447,238,000	1,646,268,266
Debtors	5,715,219,438	7,595,798,791
Short-term investments	3,644,788,000	3,797,500,000
Cash at bankers and in hand	3,548,000,000	3,501,933,946
Total	23,862,976,016	23,465,236,060

PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR 1976 (in B.Fr.)		
DEBIT	Financial Year 1976	Financial Year 1976
Operating results	19,288,073	20,619,136
Financial charges	9,500,728	9,500,728
Depreciation on buildings, equipment, furniture and fittings	1,200,000	1,200,000
Diminution in value of foreign currencies	200,000,000	200,000,000
Diminution in value of investments	130,000,000	130,000,000
Geological prospecting expenses written off	325,000,000	325,000,000
Transfer to provision for replacement of the company's shares	20,000,000	20,000,000
Tanganyika Government's 1st period of the compensation	1,387,197	11,970,112
Transfer to provisions for charges and reserves	318,768,401	318,768,401
Profit available for appropriation	1,887,519,148	1,788,559,712

CREDIT		Financial Year 1976	Financial Year 1976
Operating results	19,288,073	20,619,136	
Income from investments	515,214,500	515,214,500	
Interest and sundry receipts	902,307,000	885,154,773	
Dividends received	112,958,981	124,631,781	
Appropriation from provision for charges and reserves	289,283,801	289,283,801	
Total	2,039,552,355	2,039,552,355	

Report on the Annual General Meeting that will take place in Brussels on 26th May, 1977, will be published in this newspaper.

Scandinavian Securities Corporation

125 Broad Street, New York, N.Y. 10004
Telephone: (212) 480-6289

"U.S. Investment Banking affiliate Scandinavian Securities Bankers - Stockholm"

We are pleased to announce that

Abdulatif Al-Hamad
Director General, Kuwait Fund
For Arab Economic Development
has been elected a Director of our firm

Oil Exploration (Holdings) Limited

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Copy 1/15/77

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Randalls Group Limited

Distributors of Building, Engineering and Electrical Materials

1976 IN BRIEF

Table with 2 columns: 1976 and 1975. Rows include: GROUP SALES, TRADING PROFIT, PROFIT BEFORE TAX, TAXATION, DISTRIBUTABLE PROFITS, EARNINGS PER ORDINARY SHARE, DIVIDENDS PER ORDINARY SHARE, Interim, Tax Credit, Proposed Final, Tax Credit.

The Chairman, Mr. C. R. Randall, reports: In 1976 we gave priority to the expansion of our trade in the home improvement markets. Good results have been generated by positive marketing and advertising. Industrial markets, however, have been slow and a really significant advance in sales of engineering and electrical materials probably awaits greater industrial activity.

Quebec Hydro \$50m. issue postponed

QUEBEC HYDRO'S proposed \$50m. issue was yesterday postponed indefinitely while a DM150m. issue via Commerzbank due for announcement yesterday evening for Quebec Province is now not due until this afternoon. The postponement of the Quebec Hydro dollar offering surprised the market rather less than the initial offering last Thursday on the terms then proposed. It appears that when British Columbia closed, the lead manager, Credit Suisse White Weld, already knew that it would open at a substantial discount though it did not expect it to go as low as proved to be the case on Friday.

Eurobond issues for Pierson and Ennia

TWO EUROBOND issues for Dutch borrowers were announced yesterday. One is a Euro-guilder issue for Pierson Holding and Pierson. The other is the first convertible dollar Eurobond issue by a company since 1969. The borrower is the large Dutch insurance group Ennia.

Steadier margins at Commerzbank

WEST BERLIN, May 10. COMMERZBANK AG's earnings have suffered this year further fall in interest margins to be stabilising, says Board spokesman Robert Dhoim. The bank's average margins in 1976 fell below 3 per cent. in the first quarter of 1977, ever, lively demand on a stock and bond market as rising foreign business now beginning to be regained.

Daf Trucks out of red

DAF TRUCKS, Holland's only lorry manufacturer, managed to turn its 1976 loss of Fls.7m. into a profit of Fls.10.7m. in 1976, says the annual report published in Eindhoven. Sales topped the Fls.1bn. mark for the first time to reach Fls.1.04bn. (up 21.9 per cent.).

Mannesmann dips 18%

MANNESMANN net profit fell 16 per cent. to DM11.5bn. while its 1976 loss of DM27.8bn. last year exports alone fell by 18 per cent. to DM26.5bn. in 1976. Nonetheless the company proposes to pay 10c more a 14 per cent. dividend, raised from 10c per share after a surge in exports all sectors—especially of large and profits in 1974.

KSH reduces losses

ROYAL SCHOLTEN HONIG (KSH), the Dutch starch and foodstuffs manufacturer, has suffered a loss of Fls.3m. in the first half of the financial year 1976-77, after incurring a total loss of Fls.18.2m. in the 1975-76 financial year. The company said here that the first half loss was well down on the loss of Fls.19m. recorded in the same half of the year before. Sales to third parties have gone up to Fls.438.6m. The operating profit for the second half year (Fls.438.9m.). The operating profit before interest was still KSH Board expects that apart from the extraordinary charges, the results for the second half of the year will show a "slight" improvement.

Egam salvage to cost more

SALVAGE of the State group Egam will cost more than the 1976 estimate, says the Government, the State-owned chemicals company. The liquidation committee consists of three members, one nominated by the Government and two representatives of the two State holding companies. Last month vice-chairman IRI Enzo Storoni, resigned in protest at the high cost of the Egam salvage plan. The liquidation committee will be needed to cover costs of salvaging subsidiaries. The total cost is estimated at L1.5 trillion. The Government, although still seeking parliamentary approval, has led to the dissolution of IRI provides for State L150bn. annually for 1977.

NOTICE

To the holders of the Floating Rate London Dollar Certificates of Deposit due 12th May, 1980 of: THE SUMITOMO BANK, LIMITED 5, Moorgate, London EC2R 4HU

We hereby certify that the rate of interest payable on the above-mentioned Certificates of Deposit for the Interest Period beginning on 12th May, 1977 and ending on 12th November, 1977 is 6 1/2 per cent. per annum. EUROPEAN BANKING COMPANY LIMITED

MULTIPAR

- Brazilian and international corporate finance
Project development and finance
Financial advisory services
Management consulting and assistance
Investment opportunities, joint ventures
Financing assistance, private placements

AMEX DO BRASIL A subsidiary of American Express International Banking Corporation

COMPANHIA FORÇA E LUZ CATAGUAZES-LEOPOLDINA

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Av. Presidente Vargas, 409-8 Ariclar Rio de Janeiro, Brazil Telephone: 224-93 32 Telex MUSA BR 212 1823

Ashland finance plans for COR

Ashland Oil and the financially-troubled Commonwealth Oil Refining Company have entered into an agreement under which Ashland may invest \$50m. in a new series of cumulative preferred stock convertible into about 49 per cent. of the going equity of Commonwealth at a fully-diluted basis, agencies report. The two companies have announced that under the agreement Ashland had 120 days to evaluate the operations and business of Commonwealth. Should Ashland determine that Commonwealth could be made financially sound, it might make the \$50m. investment.

Price Waterhouse

PRICE WATERHOUSE AND CO., a leading public accounting firm, has proposed SEC registration for major auditors along with increased financial disclosure, with an average \$131,000 each during the year ended last June 30 averaged \$125,000 each before federal income taxes, compared with \$203.9m. the preceding fiscal year.

Standard Chartered Bank Limited (Incorporated with limited liability in England) U.S. \$50,000,000 Floating Rate Capital Notes 1984. The following have agreed to subscribe or procure subscribers for the above Notes: European Banking Company Limited, Credit Suisse White Weld Limited, Lazard Brothers & Co. Limited, Samüel Montagu & Co. Limited, Schroders & Chartered Limited, Union Bank of Switzerland (Securities) Limited.

Handwritten note: 1/2 x 100 1/250

July 1975

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Profits down per cent. Casio computer

TOKYO, May 10. CASIO's largest electronic calculator manufacturing company, reported a 44.9 per cent fall in operating profit to ¥2,429,000 for the fiscal year to March 31...

Life insurance in closed

BANGKOK, May 10. THE COMMERCIAL Life Insurance Corporation has ordered the closure of its operations...

EMBRAER—BRAZIL'S AIRCRAFT MANUFACTURERS Flying to Le Bourget

BY DAVID WHITE IN RIO DE JANEIRO

EARLY IN JUNE two Brazilian-made aircraft will set off on their way to France to take part in the Le Bourget air show. It will take them about a day and a quarter and they will have to carry extra fuel tanks for the longest, eight-hour hop between the island of Fernando de Noronha and Dakar...



Embraer AT-26 ground attack aircraft.

Each 0.83 Kavante is made under license from Aer-Mach 1 and six other models, four single-engine and two twin-engine, are Piper designs produced under a technology-sharing agreement with the U.S. company. To all intents and purposes, all Embraer designs are large sums into research—\$8m. last year—and has produced several successful designs. A little crop-sprayer, the Kavante, is one of Embraer's first ventures and is its biggest seller. Using, like almost all the other small models, a Lycoming 80 per cent, it has already filled about 250 aircraft in the tropical market, now around 250 aeroplanes but with obvious room to expand.

Call for greater control over multinationals

BY MICHAEL LAFFERTY DUBLIN, May 10.

GOVERNMENTS must exercise greater control over the activities of multinational companies, exploited loopholes in the way Dr. Willem Duisenberg, the Dutch Finance Minister, told a Dublin conference yesterday. Dr. Duisenberg, who was speaking at the Eighth World Financial Executive Congress, said there was now a widespread feeling of mistrust or even aversion towards the multinational companies.

DOMESTIC BONDS

New phase in Benelux bonds

By Pauline Clark

A new phase of primary market banking consortium meets on Belgium's and May 18. Judged on current market analysis developed in the aftermath of Kredietbank NV were yesterday the latest cut in the Belgian bank day anticipated an issue price rate. While preliminary terms at a slight discount of around 99.5 per cent, have now been set on a new 99.5 per cent. Government, Luxembourg yesterday was awaiting first quotations on its latest local currency denominated offering from the European Coal and Steel Commission and banks.

\$150m. triple tranche loan

BY FRANCIS GHILES

CENTRAIS ELECTRICAS desomewhat unusual in that Sao Paulo is borrowing \$150m. three tranches each carry different maturities and spreads. The first tranche, A, is for \$100m. over five years and carries a 2 per cent spread over Libor. Tranche B is for \$25m. for seven years and carries a spread of 2 1/2 per cent, while tranche C for \$25m. is for eight years and carries a 3 per cent spread.

Alliance Tire sells £34.7m.

By L. Daniel

TEL AVIV, May 10. ALLIANCE TIRE and Rubber-Isral's sole producer and exporter of vehicle tyres—reports that its net sales for 1976 reached £34.7m. due to a change-over in the accounting system from the fiscal to the calendar year. The nearest comparison is the period April 1, 1975-December 31, 1975, when sales were at an annual rate of £26m. net, after-tax profits increased from just over £1m. in the nine months ended December 31, 1975, to £1.5m.

Old Mutual raises Tiger Oats stake

BY JOHN STEWART JOHANNESBURG, May 10.

TIGER OATS, South Africa's largest food group, which owns 30 per cent of J. Bibby and Sons, has announced details of the financing arrangements for its recent acquisition programme. This included R19m. share against the current share price of 750 cents. These R8.8m. for 31 per cent of the private Pretoria-based Rats Milling Group and a further R3m. for other smaller commitments. In total, the group is laying out an extra R30.7m. on these acquisitions, which because of the high cost of money and the fact that Tiger was forced by arch rival Premier Milling to pay so actively the Old Mutual is buying highly for Stein, will have a 14.3 per cent interest in Tiger.

WIGHT CONSTRUCTION HOLDINGS LIMITED. Annual Report 31ST JANUARY, 1977.

Table with financial data for Wight Construction Holdings Limited, including Turnover, Group Profit, Earnings per Share, Dividends per Share, and Net Tangible Assets per Share for 1977 and 1976.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table listing various Eurodollar bond prices and mid-day indications, including straight and floating rate notes, and convertible bonds.

The Central Manufacturing & Trading Group Limited INTERIM RESULTS

Table showing interim results for The Central Manufacturing & Trading Group Limited, comparing Half Year to 31 Jan 1977, Half Year to 31 Jan 76, and Year to 31 July 76.

Despite the political and economic uncertainty which continues to confront us, I am pleased to report that the Group profit before tax for the six months ended 31st January 1977 was £1,750,000 as compared with £1,257,000 for the corresponding period of last year. The diversity of the Group's activities and the recovery in earnings which took place mid-way through the previous year helped to produce this improvement, as only a moderate economic recovery took place.

C.M.T. Industrial services - Light engineering - Metal processing - Steel stockholding - Tubes, fittings and forgings. 303 Halesowen Road, Dudley, West Midlands.

CITY INVESTING FINANCE N.V. 8% GUARANTEED NOTES DUE MAY 1, 1984. Unconditionally Guaranteed as to Payment of Principal and Interest by CITY INVESTING COMPANY. Blyth Eastman Dillon & Co. International Limited.

July 10 1977

Competition bows out to regulation in the EEC

BY A. H. HERMANN, Legal Correspondent

IMPORTANCE of competition or economic efficiency and freedom is taken for granted in Britain and has never been treated as an article of faith in post-war Germany. It remains enshrined in the European Community treaties as a fundamental instrument of a Common Market. But the reality is replaced by regulation by the bureaucracies of governments and agencies seeking to avoid the effects of the recession.

This is only a temporary measure in a passing disease of the economy or the sign of a fundamental change? And regulatory measures taken by the state, without some complementary regulation of prices for the benefit of the consumer?

Experience is not, however, of amalgamations and mergers, the regulation of prices by state agencies and government-controlled agencies, and the development of international unions in the Great Depression of 1929. Indeed, the institutions on which the agricultural policy of the Community rests are those of the 1930s. Not only are the funds which these institutions control often made the paymasters of political parties, but their influence is now being eroded by the efficiency of their plant leaves much to be desired. Often the acquirer has the means to protect the acquired enterprise against competition, improving its profitability at the cost of the consumer who will have to pay the higher price.

In West Germany, practically free of trade union restrictions on modernisation, the same process of concentration of industry by acquisitions is at work. Because of the underdevelopment of the stock market to which a medium-sized expanding enterprise can turn for finance, the only chance in world markets on the one hand, is often between selling equity to a bank or to a large enterprise. Many successful entrepreneurs expect that their way of life and living standards will be expanded with a view to

“The crisis of the European steel industry has prompted the Commission to move towards a quota and price cartel, extending thus the principle of regulation so far reserved for agriculture into the area of industry.”

These demands are reflected in a tolerant attitude towards a take-over. This effect of Germany's financial structure is, in the view of Professor E. J. Miesmaecker, chairman of the German Monopolies Commission, further amplified by psychological factors. Every acquisition by a large and powerful company of a successful company operating in a market supplied mainly by small and medium-sized enterprises is said to have a snowballing effect: the remaining small companies in the market get frightened of the powerful entrant and seek backing, with the result that they, too, are sooner or later integrated into a larger enterprise.

It is widely assumed that Germany has since 1973 operated a much stiffer system of merger control than the U.K. True, the statutory rules and procedures obliging the Federal Cartel Office to be guided only by its duty to protect and preserve competition, leaving aside wider considerations of public interest, look formidable on paper. In reality, in the first three years of this system the Cartel Office prohibited only four out of 773 mergers which were big enough to require notification. Only two of these four prohibitions became effective. Of the estimated further 300 mergers notified in 1976 the Cartel Office prohibited only three, of which one has been since reviewed by the Government, one is pending in courts and the third, having been a *leit account* for some time, can rely on government reprieve should the Cartel Office decision survive in the courts. The Government has the power to overrule the Cartel Office on

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The Hongkong Bank Group
is developing more specialized services to meet
the demands of the future



The Hongkong Bank Group has developed considerable skills in data processing services to customers.

The development of sophisticated communication equipment throughout the world brings businessmen closer together. Tomorrow's world will demand increasingly widespread, sophisticated, and specialized banking services. Here are some of the ways The Hongkong Bank Group's fully trained staff can help you today to meet the changing needs of tomorrow.

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The Hongkong Bank Group now has more than 400 offices in 40 countries, of which over 200 offices are in Asia. The Group can therefore offer a full range of banking and financial services on an international scale and is constantly expanding its network to serve more businessmen throughout the world.

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Hong Kong dollar travellers cheques are available at all branches of The Hongkong Bank Group and offices of Thomas Cook in addition to a large number of travel and sales agents all over the world. The cheque is readily acceptable throughout Hong Kong and in most parts of South East Asia.

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Since the opening of the American Gold Market in 1975, Asia has provided a very valuable time link between the closing of the American and the opening of the European markets.

Sharns Poxley Wardley Limited deals in precious metals in Hong Kong and handles the physical sales of gold in the Asian area. The company is jointly owned by The Hongkong Bank Group and Sharns Poxley Limited, one of the five members of the London Gold Market.

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The Hongkong Bank Group offers a wide range of confidential trustee services through The Hongkong and Shanghai Bank (Trustee) Limited. This trust company is empowered to undertake such services as executor and/or trustee of a will, administrator of estates, attorney-in-fact, administrator for legal personal representatives abroad and custodian trustee for provident funds and unit trusts.

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The Hongkong Bank Group has computers in all its major branches. These range in size from dual IBM 370/158s with 800 online terminals in Hong Kong to an ICL 2902 to serve the branches of the Mercantile Bank on the island of Mauritius in the Indian Ocean.

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The Hongkong and Shanghai Banking Corporation issues its own credit card in Hong Kong to personal and corporate customers for regional and international travel and entertainment purposes. To assure international acceptance at more than 2 million outlets including hotels, restaurants, airlines, shops, hospitals and car hire firms all over the world, The Bank issues its card under the Master Charge affiliation.

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Abuse

In this respect the EEC law of competition has a greater potential. Article 86 of the EEC Treaty, aimed against abuse of a dominant position, is enforceable in national courts of member States. The Commission has made little use of Article 86 so far, although it is known that several allegations of abusive pricing were investigated. Also, like the Cartel Office in Germany, the Commission has no powers to ask for notification of price changes unless it made a decision condemning an enterprise for specific price abuses. But even this possibility has been used only once, in the case of United Brands, condemned by the Commission on December 17, 1975, for abusive and discriminatory pricing of bananas.

The demands for regulation are nourished not only by the desire to protect the consumer by keeping prices down. A less evident but growing factor is the need to keep prices up if weaker competitors are not to be eliminated. The same aim which is pursued in the U.K. by the trade union of the bread delivery men blacking stores, selling bread with a discount, is achieved in Germany, always more legalistic, by court orders against "unjustified discounts" and by Cartel Office guidelines protecting small shops against the power of their large competitors - for example, by prohibiting suppliers from giving bigger discounts to supermarkets than to corner shops. This can well be taken for an epitome of the change occurring on many fronts: regulation takes over whenever competition is so effective that it threatens to eliminate the weaker competitors.

There is a lot of fun around a glass of Sherry



Universally appreciated as the aperitif for any time of day, Sherry needs no special time or occasion. It is well known the world over as the ideal aperitif, but its great variety offers many other opportunities to enjoy it.

Manzanilla and Fino, smooth - light with a unique finesse - exciting and zestful aperitif for the young minded.

Amontillado and Oloroso - full bodied with an exquisite bouquet, ideal for any time of the day.

Sweeter Sherries, such as Cream add romance to any occasion - straight or with ice, makes a delicious drink.

Around a bottle of Sherry the atmosphere will always be cheerful and friendly.

Sherry from Spain for fun-loving people.



July 10 1977

FINANCIAL TIMES SURVEY

Wednesday May 11 1977

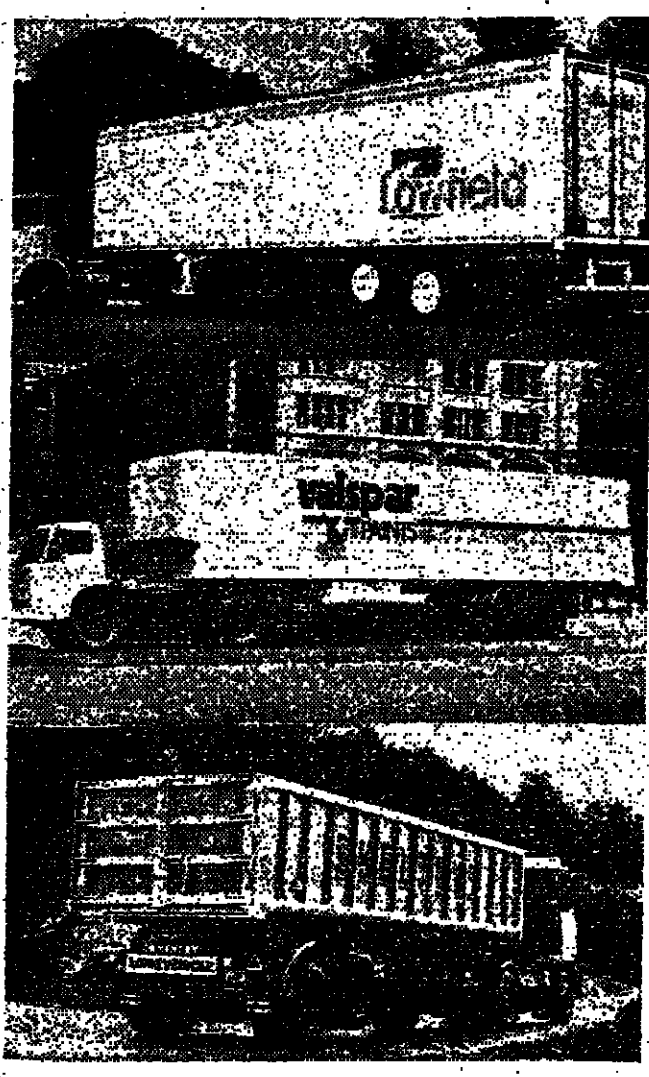
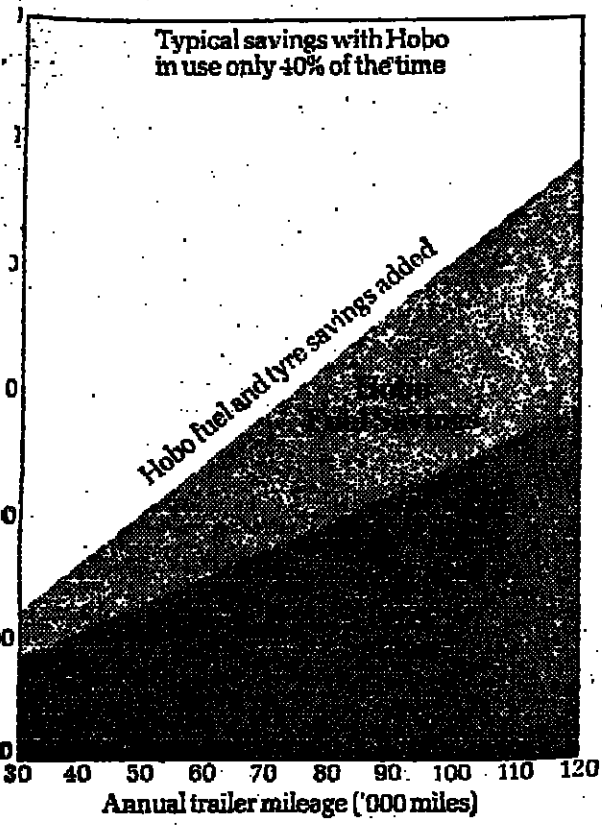
Trailers

Although not yet back to the peak level of 1973, U.K. trailer output has made a healthy recovery from recession. This improvement is very much in line with the experience of the commercial vehicle industry generally, and it is the latter's fortunes which will largely dictate the future.

York Hobo. Lift your wheels and lower your costs.



Last year people were calling Hobo the greatest idea since the Freightmaster. This year it's an established success. When it was launched last April we forecasted savings of £280 per year per trailer. This year, typical savings are raised to around £330 a year and the Budget road fuel increases.



Hobo. Only from York.
If anyone still needs reminding, Hobo is the patented York lifting axle trailer suspension that cuts the cost of tyres and fuel on a tandem semi trailer by lifting the leading axle clear of the ground when carrying light loads, part loads or no load at all.

With Hobo the trailer adapts to its load. And an overload protection valve automatically lowers the leading axle when the trailer reaches its single axle limit.

Where and how you save with Hobo.
Our market survey showed that the average semi trailer only needed both axles on the ground for 55% of the time. For own-account fleets it can be even less. The remaining 45% of the time, the trailer needed only one axle on the road.

From these findings we developed Hobo to cut costs in two major areas.

The first and most obvious saving is on tyres. The Goodyear Tyre Co estimated that a 30% reduction in tyre wear is likely if Hobo is used just 45% of the time.

And like all York suspensions, tyre wear in tandem form is reduced by providing fully adjustable radius rods to ensure accurate axle alignment.

The other area of saving is in fuel. Obviously there is more drag and scrub with a tandem trailer than with a single axle. By raising your axle, you raise your miles per gallon. According to the tests carried out at the Cranfield Institute of Technology, your mpg goes up about 4%.

Add these savings on tyres and fuel together and a saving of £330 per year is typical.

Better braking.
Hobo's benefits don't stop with tyres and fuel. Its design incorporates a balance beam which reduces hop, resulting in shorter, safer stopping distances.

Mike Cunningham from 'Motor Transport' road tested the Hobo and reported on its brake performance:

"It was the non reaction built into the suspension under braking that most impressed me...we have established braking distances from full pressure stop at 40 mph that shows the Hobo suspension provides better and safer braking without undue axle hop.

There is a mean increase of braking efficiency from 58% to 68% on surface brake application attributable to the non-reactive design of the suspension under braking - axle hop is virtually eliminated."

And Hobo is fail safe. Should there be any damage to the Hobo air system, the second axle lowers and the trailer runs in its normal tandem mode.

Hobo the investment.
Hobo's payback period will be under 18 months for the average operator and once it's paid for itself it will add to your profits every day for the rest of its life.

Your next York trailer can be supplied with Hobo or you can have your existing vehicles adapted at any of the York factory branches.



York Trailer Company Limited,
Northallerton, North Yorkshire, England.
Tel: Northallerton (0609) 3155. Telex: 58660.

Home troubles spur export successes

HAVE been the main British trailer in the last two years. In this area demand tends to be for specialised vehicles which may provide vans and heavy duty low loaders. In these cases the purchase is prompted either by the conviction that it is not worth laying down new capacity for a few specialised products which can be bought on the open market, or by the feeling that Western technology is superior in this particular field.

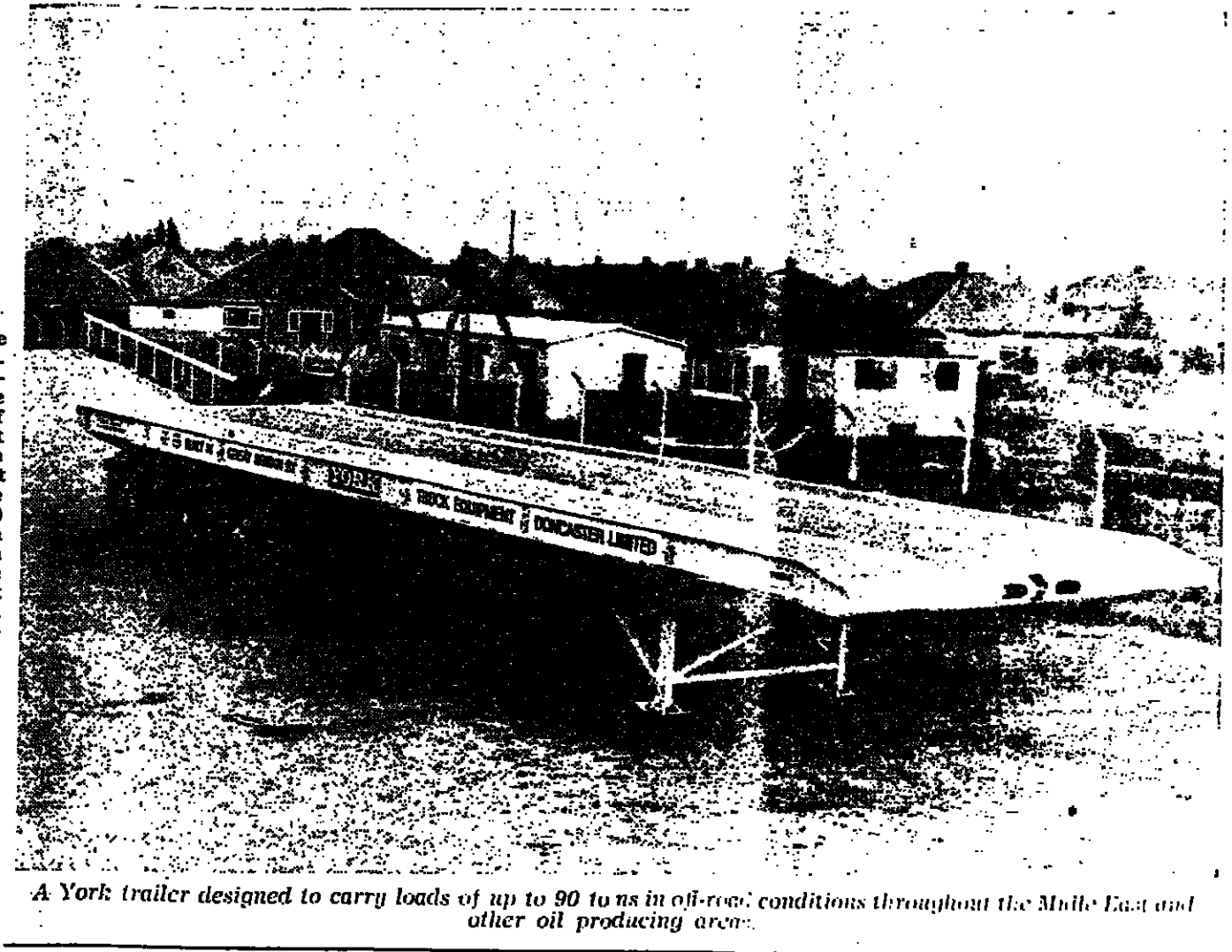
Within the EEC, where the market requirements are much similar to those in the U.K., several companies have got off to a promising start. The Low Countries and France, in particular, now take a good quantity of British trailers, although Germany has been more difficult to penetrate. At the same time this new business has not been followed up by any similar incursion of the Continental trailer companies into Britain. Their business in the U.K. is still negligible, although the French-Trailer company, ultimately owned by Pullman of the U.S., bought a British manufacturer two years ago with the ambition of moving into the U.K.

Britain's exports to the EEC would almost certainly have been better in recent years if Crane Fruehauf, the country's biggest trailer company, had become seriously involved in the area. The problem here is that Crane would have been competing directly with associate companies under the umbrella of the U.S. Fruehauf Corporation if it had ventured into Europe. In the closest markets—France, Germany and Holland—Fruehauf has its own wholly-owned subsidiaries, and Crane seems to have been inhibited from selling in these areas because of this. Yet the company believes that it could build up a healthy trade in this area, just as it has in other overseas territories. This is one of the points which must have been made to the Monopolies Commission as it considers the argu-

ments for allowing Fruehauf to go ahead with a full bid for the U.K. company in which it has a 33 per cent. stake. The most significant strength of British trailer exports in the past two years has been competitive price. Virtually all U.K. producers have found that they can beat foreign competition on the price basis, and with plenty of capacity to spare in their factories, they have been able to overcome the perennial complaint of British industry's erratic and uncertain supply.

Overseas prices have been helped, of course, by the slide in sterling which has given a big boost to most British exports within the past year. There have been other significant factors at work, however. The first of these is the generally efficient production technology now evident in the British industry, which has probably rationalised more quickly in the past few years than its Continental competitors. Only Fruehauf and Trailor are regarded by British manufacturers as really serious competition on the Continent. With three big manufacturers dominating the market, Britain has been able to get away from the jobbing production methods which characterise a fragmented industry. This, in turn, has given the industry a competitive cost structure. U.K. technology is also reckoned to be competitive with anything produced in Europe. The use of monocoque construction in box vans, the utilisation of aluminium and laminate wall structures, and the development of energy-saving devices are all well-developed in Britain. And for the less well-developed overseas markets there is a sound understanding of the need for more rugged structures capable of withstanding excessive overloading. According to all the manufacturers, the future in export markets looks bright. York, for example, which exported about 46 per cent. of production last

year worth £9.4m, expects the figure to go up to 50 per cent. this year because of the Carrimore acquisition—Carrimore exports about 90 per cent. of output. Crane Fruehauf, exporting about 20 per cent. of production (worth £10.3m.), believes that it can expand considerably on its base in Africa and the Middle East—where it has established an Iranian assembly operation—and would like to expand in Europe. One encouraging feature of the overseas markets is that the smaller manufacturers have been able to exploit them as well as their larger competitors. M and C Trailers, for example, reckons it exported about 90 per cent. of production last year, usually concentrating on heavy-duty low loaders or heavy flat platform trailers. These are built deliberately to withstand excessive weights. A new small company, Trailer Systems, is currently exporting 100 per cent. of its output which is scheduled to go up to 400 units from its East London works this year, and Todd Strongbox recently won a £750,000 export order. Over the longer term, these direct exporting efforts could run into difficulties on the grounds of excessive freight costs: it seems illogical to make such large products a long way away from the point of use. Already there have been some moves towards local assembly, such as Crane's Iranian operation, and York's works in Holland. But manufacturers have found that they can minimise costs of exporting to the Continent by arranging to send out trailers fully loaded. Provided this sort of practice can continue, competitive wage rates in Britain, combined with an equally competitive exchange rate, should give the trailer industry a strong impact on export markets for some time yet.



A York trailer designed to carry loads of up to 90 tons in off-road conditions throughout the Middle East and other oil producing areas.

To buy

CONTINUED FROM PREVIOUS PAGE

trailer—he might have that as well. Rental is used to smooth out the lumps in the workload and to make good any deficiencies or surpluses in the fleet. The benefits to cash flow are obvious in that costs can be predicted with some accuracy and without using up valuable capital that can be released into other, perhaps more profitable areas of the business. Demand At the moment the rental business in trailers is said to be booming. If there is any problem at all it is with the rental companies which cannot obtain enough vehicles to satisfy demand at the moment. Many of the fleets were, in fact, run down a few years ago when industry in general was in a state of some decline and enough cash to buy his own vehicles were sold into the

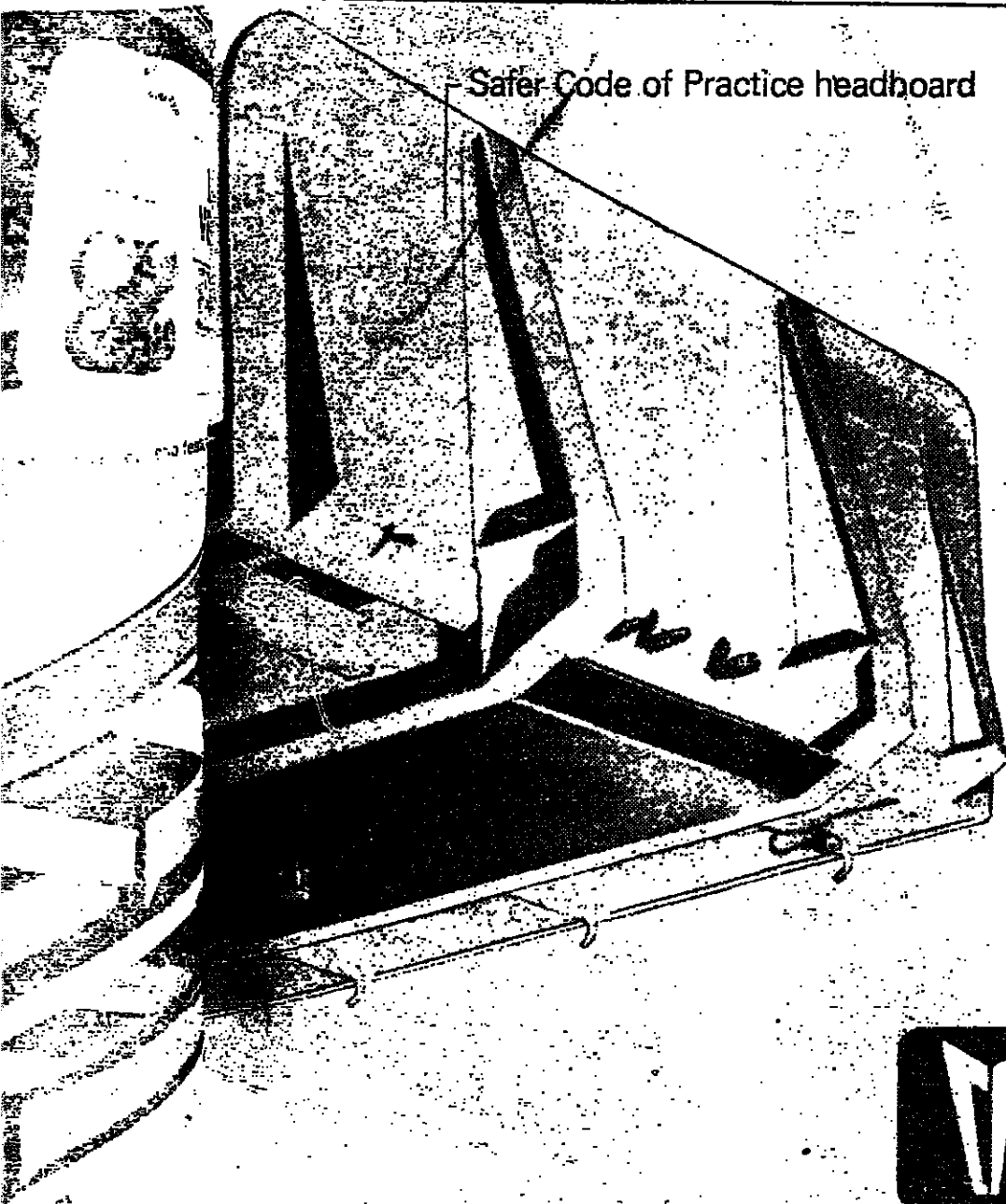
trailer hire market. The third alternative, and the one most in use in the trade, is the trailer rental. This can be arranged on an international basis. Most of this sort of business is apparently mainly for Scandinavians or Europeans. The other alternative for a U.K. haulier, however, is to opt for contract hire with whatever services are appropriate. This can be full maintenance, tyre replacement and arranging the annual Department of the Environment certificate of road worthiness. The use of contract hire really does mean that title does not change hands at the end of the day. And most of this business is apparently done whereby the haulier matches the period of work where he knows the duration of the job. The haulier can also have the

trailer in his own livery, if required. The use of rental, therefore, does not necessarily indicate that a haulier does not have

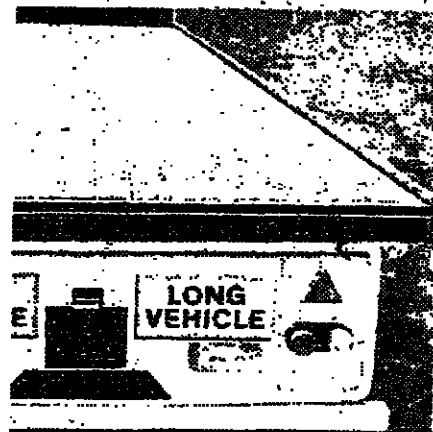
enough cash to buy his own vehicles. Now that the reverse appears to be true this must surely indicate a return of confidence all round. With this sort of background it is small wonder that the market is dominated by the specialists. To operate successfully in this business requires more than mere financial size. It calls for specialist knowledge of requirements and the problems that the hauliers face. Above all, in this often risky corner of the leasing market it requires a considerable amount of judgment when accepting customers and fixing terms. The equipment itself is probably no great problem since there is very little maintenance involved with trailers and the value of the trailers as an asset tend to depreciate slowly—indeed, in certain cases trailers can actually appreciate in value.

Terry Dodsworth

Keith Lewis



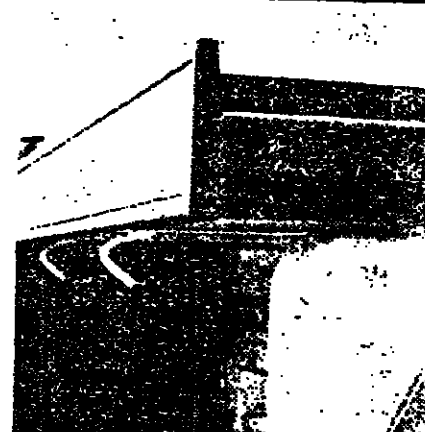
Safer Code of Practice headboard



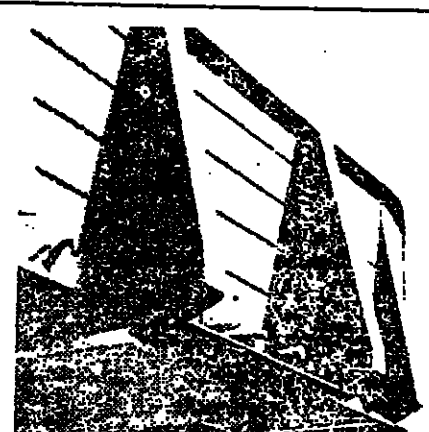
Longer Life
The decking is of 1 1/8" finish half-lapped Keruing hardwood constructed so that accident damage to the deck can be repaired more easily with less down-time and therefore at less cost.



Increased Impact Protection
In accordance with the latest EEC directive, completely new, distinctive and functional square section underrun bumper, giving a progressive rate collapse under impact conditions.



Greater deck space
Completely redesigned rave rail which is stronger and lighter and provides 8" O.C. deck space between the rave. Rope hooks at two per crossmember, headboard and rear crossmember.



Better Driver Protection
The new 2' 6" high headboard fully complies with COP safety recommendations and gives added protection to driver and cab in emergency situations. It permits full 90 degree loading access.

Greater safety and strength where it's needed. Plated at 31.5 tonnes (31 tons) for future flexibility.



Conforming to the latest known requirements and regulations, and incorporating important new features for safety and strength, the new Crane Fruehauf PB80 is the product of intensive research and the highest quality available. What is more, it is backed by the new Crane Fruehauf two-year warranty.

Trailers

Crane Fruehauf Trailers Ltd.,
Marketing Services Department,
Toftwood, Dereham, Norfolk.
Tel: Dereham 3331. Telex: 97251.

Crane Fruehauf

TRAILERS II

Swinging back into full production

"ALL OF US have long order books to-day. We can sell everything we make, we are all short of capacity, and the industry has turned round completely from the position as it was 12 months ago." Allowing for a certain degree of hyperbole, this comment from a top executive in the trailer industry neatly sums up what has happened in the last year—or more particularly the last six months. The notorious pendulum of the industry has swung back into a year of plenty, and the trailer manufacturers are following the truck industry up out of the depression.

Conditions do not yet appear to have recovered to the levels achieved in the boom year of 1973, when U.K. trailer manufacturers made 21,900 units. But following the lean years, when companies trimmed their activities considerably, the market appears extremely healthy. From output levels of between 11,000 and 12,000 for the last two years it looks as though production may approach the 1974 figure of 18,700 this year. Latest estimates predict the production of 18,000 units in 1977, about 14,000 of which would be sold in the U.K. By 1978, the industry could have climbed back to the 1973 level.

A lot depends, of course, on how freakish the present level of demand turns out to be: there have been false dawns before—notably early last year. But perhaps the simplest way of judging the trailer business is through the state of the commercial vehicle market: and that has been rising fairly steadily now for several months. If the truck market continues to grow, there will be a rising demand for new trailers.

Most analysts agree that this demand is likely to remain strong for at least the next half year because of the operators' need to replace ageing vehicles. This is what happened last year

in the U.K. car market, despite many of the predictions of a continuing slump. Many buyers were forced back into the showroom—because of ageing vehicles becoming more and more expensive to service, and losing value as the years went by.

Trucks are even more susceptible to this kind of customer reasoning since they are bought, in many more cases, by fleet operators who carefully analyse their costs, and make a cool financial judgment on the best time to replace. With inflationary commercial vehicle price increases continuing on a regular basis, there is an added incentive to buy now.

How long-term the improvement is, however, depends less on these kinds of customer judgments than on general economic conditions. The trailer market is inevitably quite sensitive to the overall level of industrial and commercial activity. When there is more business being done, more commercial vehicles and trailers are needed to carry round the extra goods.

Indicators

Because none of the economic indicators hold out unquestioned hopes of accelerating industrial expansion over the next two years, this means that the trailer manufacturers will have to play a cautious game over the next few months. They know that the quality of their order books is good at the moment. Most of them have up to five or six months of firm orders which will not evaporate overnight as they did during the rush of cancellations at the end of 1974. But they are reluctant to gear up too much in case the market shifts down a notch in the second half of the year.

This reasoning partly rests on hesitancy to take on staff who would be expensive to get rid of at a later date, and partly to the general lack of confidence

in the British economy. Already, as output picks up, component shortages are beginning to manifest themselves. Some manufacturers are complaining of poor axle and suspension supplies from Rubery Owen-Rockwell, the principal manufacturer, already.

One effect of the recent depression, however, is that most trailer manufacturers are not now quite so dependent on the new trailer market in the U.K. as they used to be. Steps have been taken to get into export markets, and to diversify and widen their activities to give a fairly comprehensive range of services to the customer. This has helped the major companies to ride the depression without losing too much ground financially.

The new service operations range from leasing and finance companies, to freight forwarding activities, and straight-forward service and parts divisions. In York's case the base has been widened by going into the design and assembly of important component parts, such as axles, suspensions and now hydraulic hoists; in Crane Fruehauf's case it has been an established policy in recent years to seek out support areas for hauliers—such as freight forwarding—and develop activities along these lines which can be sold to the company's trailer customers.

What new services can be developed now is anyone's guess. The past two years have seen, to some extent, a polarisation between the two dominant groups, who are seeking to expand their industrial base, and the rest of the industry, which believes its best opportunity is in specialisation. Craven Taskors, for example, has deliberately sought out areas dependent on sophisticated design, such as its new multi-axle trailer which depends on hydraulic methods of weight spreading. Similarly companies like M and G Trailers, Tidd Strongbox and the new Trailer Systems try to give a more tailor-made design service.

In overseas markets the industry has had spectacular success in the past two years. It has effectively grafted on another arm of business which was scarcely there two years ago, at the same time establishing a solid base for itself throughout Europe, the Middle East and Africa. The test now is to hold these markets and convince customers of the ability to supply, while serving the more buoyant home sales.

Britain's exporting position is one of the issues being put to the test by the contested Fruehauf Corporation bid for Crane Fruehauf. The U.K. company has turned in some vigorous export performances in recent years, and in two areas at least it is possible to see it being constrained by a U.S. takeover.

Overseas

The first is in Iran, where Crane last year set up a local company and began building manufacturing facilities for an overseas assembly plant. The British company could argue that to be taken over and possibly lose this operation to the new parent company would be grossly unfair after it had put in all the groundwork; certainly, Crane has vigorously pursued this market in the past few years, and its presence probably owes something to the well-established British commercial vehicle interest in the area.

In this context, one of the arguments Crane is likely to have put to the Monopolies Commission, now investigating the Fruehauf bid, is that Britain runs the risk of losing out in an extremely important export market with good prospects of growth.

The other question posed by the bid is Crane's position in Europe. It is no secret that the U.K. company sees opportunities on the Continent under the enlarged EEC organisation. But it has been apparently unwilling to exploit them to the full even in the period of Fruehauf's part ownership: if the

American company won its bid for the whole of the company, there is a possibility that its opportunities in Europe would diminish further, simply because Fruehauf has its own companies serving the French, Dutch and German markets anyway.

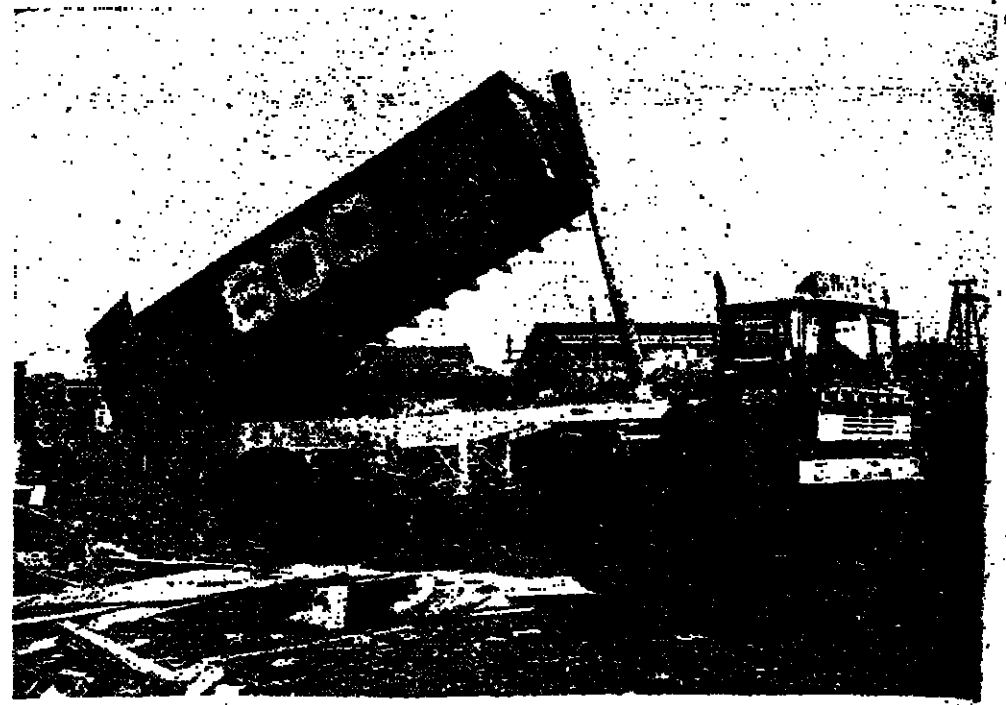
Yet there is no good reason why Crane should not attack Europe just as the other U.K. manufacturers have done so successfully. British prices are now so competitive that good opportunities exist throughout the EEC.

The argument between Crane and Fruehauf also involved bitter personality, financial and technical issues. On the financial side, for example, Crane pays the American group a royalty on turnover each year, irrespective of profits, on the grounds that it uses Fruehauf's technology. This licence, worth £640,000 to Fruehauf last year, was due to expire in 1979, and Crane did not want to renew it—possibly another reason for the bid.

In any case, there is additional disagreement about the use Crane makes of Fruehauf engineering expertise. Following the Crane takeover of Bodens the British company argues that it has needed Fruehauf's technical expertise less and less, and concentrated on Boden-derived techniques.

These are extremely complex arguments, which the Monopolies Commission is trying to sort out. The decision will be an important one for Britain. With York owned by a Toronto-based group, the prospect of Crane also going to a North American company is not to be taken lightly: it would deliver 75 to 80 per cent of the U.K. market into overseas control, plus a large volume of exports. This sort of process has happened in commercial vehicles and the diesel engine industry. The question the Monopolies Commission has to decide is whether this should happen in the trailer industry as well.

Terry Dodsworth



A steel bodied Tasktip tipping trailer from Cravens Haulage (Woodville) is for carrying scrap metal

To buy, to lease or to rent

TRAILER RENTAL, leasing and contract hire is a growth business—a fact borne out by the consensus estimate that only half of all new trailer sales are direct cash purchases.

The market has naturally evolved in line with demand and the facilities available are widely varied. Basically, however, the business breaks down between the rental side, contract hire (with or without maintenance) or leasing. The manufacturers themselves, such as Crane Fruehauf and York Trailer, all have subsidiaries which can handle the business. Otherwise the alternative would be the finance companies.

There are a number of factors behind the growth of the business. For a start, trailers tend to be fairly priced objects—£3,000 up to £15,000—£20,000 for the refrigerated jobs—which means that the hauliers have not always been able to fork out the capital cost of replacement. Instead they have turned to one or other of the forms of instalment credit or rental. The other factor is that growth in the rental business

indicates that industry is prospering in general.

The haulage business is, of course, notoriously risky; that is, business failures are not exactly uncommon. Those in the business of providing leasing facilities tend to be highly knowledgeable on the subject and two specialists emerge at the top: Crane Fruehauf Finance and Transport International Pool, the latter being the U.K. subsidiary of the American company. Among the other leasing companies are other specialists, such as Eurotrac, a company set up by Brain Raulage to concentrate on container carrying trailers, and now part of Tradax Financial Leasing. Eurotrac now claims to have 1,700 units in its fleet, which operates right across Europe.

Leasing of trailers tends to be a method of deferred purchase. Many U.K. companies, due to items like stock appreciation relief, are not paying a great deal of corporation tax and therefore have little or nothing against which to offset

the capital allowance purchase. It is far better the leasing company to pass that on to the haulier in the form of reduced payments—reflecting the longer life of a trailer as against a motor car—the customer either continue to lease nominal rates or the may be sold. Quite because of the Control of Order, the customer is selling agent for the company and is allowed to retain 95 per cent of the proceeds in the market theory. Little of the any other leased equipment should not change hands while the whole deal hire purchase. Through of the capital allowance hands of the leasing company, which passes them on quite normal for the to work out cheaper than purchase and for the result. Foreign customers c

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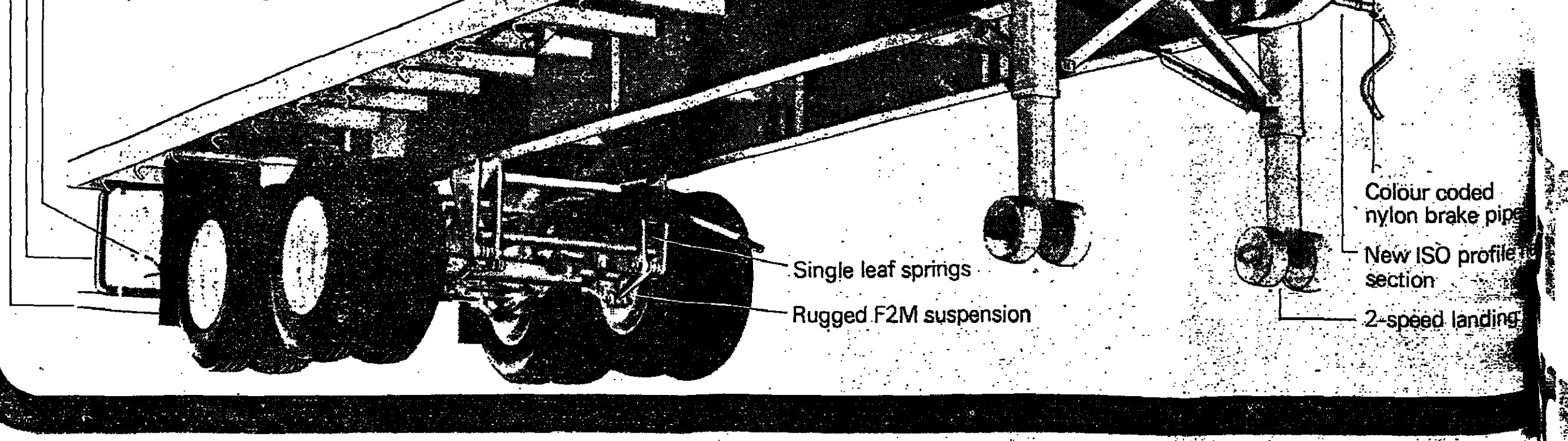
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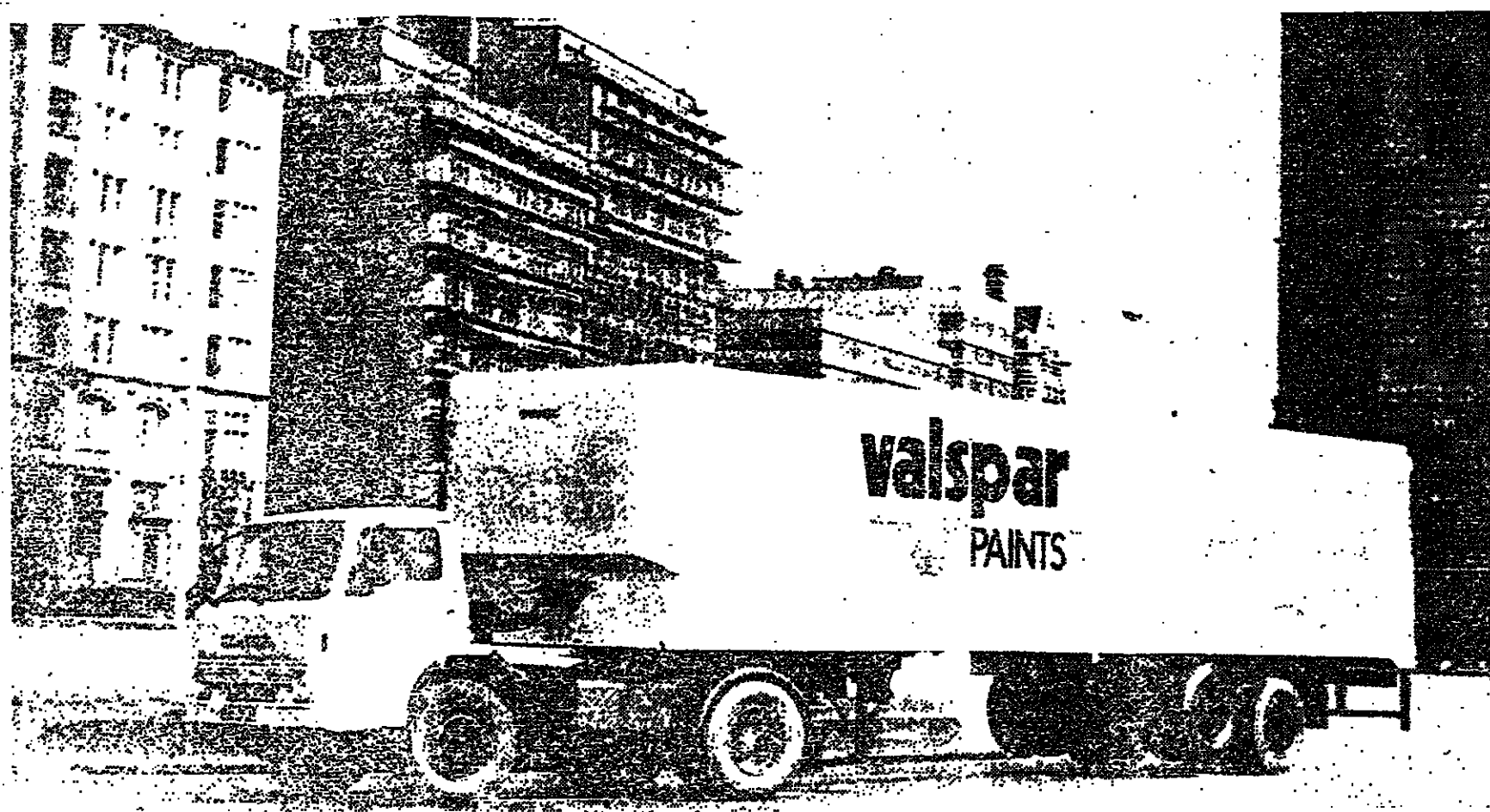
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TRAILERS IV

Changing design criteria



A Freightmaster van fitted with a York Hobo lifting axle suspension

Cross-frontier deals on the increase

THE MOST significant single development in the U.K. trailer industry during the last 12 months was the Fruehauf Corporation bid for Crane Fruehauf in the U.K. Fruehauf, based in the U.S., already has 33 per cent in the British company, but was looking for complete control. With other subsidiaries scattered around the world—including companies in France and Germany—this would give it an exceedingly strong position in overseas markets, since in Britain Crane Fruehauf is by far the dominant trailer company.

The bid is now undergoing Monopolies Commission investigation. It is clearly posing some tricky problems for the investigators, since the time limit imposed on the probe has been stretched to its absolute limit to allow a deeper discussion of the technical and engineering relationship of the two companies. But whether or not the bid is eventually allowed, it has demonstrated how the trailer business is developing across national boundaries.

Localised

Even today, trailer manufacturing is still quite localised in many respects. The industry remains one of those in which a resourceful entrepreneur can establish himself with one good idea, provided he has the wit to follow it with more. You can still get started in this business by hiring a railway arch as a workshop and banging bits together for the local potato merchant. It is how one entrepreneur put it. But despite this undergrowth of activity, the last decade has seen the emergence of a few more and more powerful top companies.

The betting is that these big groups—Crane Fruehauf, York Trailers and Cravens Homalloy

in the U.K.—will continue to die into dominant market positions in the manner of the big truck companies. Trailer manufacturing is becoming a much more sophisticated activity as the years go by. Design and research work has become more complex as companies seek to add strength without weight, and learn how to use new materials. Expenditure in this area is likely to intensify as the demands for fuel economy make it more imperative to develop light, energy-saving trailers.

At the same time, the bigger groups are refining their production engineering techniques in order to take advantage of their scale. This means that they will inevitably become more competitive, and with the benefit of their research and development strength and ability to finance costly new programmes, they will have the whip hand over the smaller jobbing shops.

In the post-oil crisis depression in the industry, it is believed that a considerable number of the very small, backstreet trailer producers went out of business. But the mid-sized companies have also found survival difficult. Evidence of this came during the last 12 months in two successful bids by York Trailers, Britain's second largest manufacturer.

The first of these was for Carrimore, a Durham-based company, which makes hoists and tipping equipment as well as trailers, and cost York £540,000. The second was for Scammell Trailer, a company within the Special Products group of British Leyland, and formerly a division of the Scammell truck production operations. Scammell cost York about £700,000, and, according to the Yorkshire-based concern, will give the group valuable new York's intentions for integrating these new activities seem

Acquisition

In 1968 the new group took another major step towards its present position of market leader with the acquisition of Bodens. Bodens was a trailer manufacturer of fairly large volume standard designs with a reputation for excellent production engineering and a high level of efficiency at its plant in Lancashire. Founded by a vigorous local business man Bodens had grown quickly and, according to some York Fruehauf officials, brought considerable new expertise into the group, which has helped the company grow to its present position with about 40 per cent of the market.

Lower down the scale, Cravens Homalloy has also grown through mergers in the past few years. The third largest of the U.K. manufacturers, with about 15 per cent of the market, and a subsidiary of the John Brown group, it took over Taskers in the early 1970s. In order to bring together the group more closely as an integral unit, it is now in the process of changing its name to Cravens Taskers. The intention is to manufacture all its trailers under the simple TASK logo with the aim of giving the company a more easily identifiable product.

has concentrated its manufacturing on the more specialised products in its range as a means of overcoming the slump. Its latest move, taking on a licence from the Delatte-Lavie group of France, sees the company making a further step along the same route: the French manufacturer is a specialist in designs for multi-axle heavy duty trailers capable of carrying up to 120 tons.

This development also shows the way in which the structure of the industry is beginning to take the larger commercial grouping of the Common Market into account. Both of America's largest manufacturers—Fruehauf and Pullman

(which owns the Trailer company in France)—are now active in Europe. The Fruehauf bid for Crane Fruehauf indicates that, like other multinationals, the U.S. company would like to get a tighter overall grip on the marketing strategies and areas of influence of its subsidiaries; Pullman has similarly shown hopes of expanding into the U.K. following the Trailer acquisition of Peak.

With the U.K. manufacturers now growing stronger in Europe, and doing some assembly on the Continent, more cross frontier trade and licensing deals can be expected within the next few years.

strategic points of stress concentration have played an essential part in achieving fatigue strength.

As always the cost of aluminium detracts from its weight-saving properties, when compared with steel. A trailer frame's cost can increase by over 100 per cent, when aluminium is substituted for steel although in terms of total trailer cost including axles, suspension, landing gear and bodywork the on-cost is less dramatic. Last year's massive aluminium price rise of around 130 per cent—notwithstanding 6 to 7 per cent steel price increases in the same period—have tended to mar the promotion of light alloy in such applications.

Durability

Because truck operators are today more than ever prepared to pay a premium for durability as well as greater load capacity, the large trailer makers are tending to offer higher grades of steel in frames. The material is stronger, which gives the manufacturer the choice of offering more strength (and longer life) or reduced weight through the use of smaller sections—usually rolled I-beams. The tendency has been to compromise between the two requirements, so that strength (and price) goes up a little and weight comes down a little. Shallower I-beams can be used—typically 14 inches rather than 16 or 18 inches deep—with the result that loading height is reduced and the trailer's stability in side-winds and when cornering is improved.

Care has to be taken in adopting higher grade, structural

weight limit prevents the load-space—up to 48 feet—of a double-bottom being properly exploited for hauling freight of average density.

Trailer bodywork offers the same scope for design innovation as rigid truck body construction. But because the average trailer is longer—often up to 40 feet—the benefits are proportionately greater from the standpoint of loading efficiency. Fully enclosed van bodies are being adopted increasingly by hauliers carrying general freight as well as the superstructure which contains the load have brought in a number of technical innovations which improve efficiency by pruning operational costs.

Security

Van trailers avoid the need for tarpaulin sheeting and subsequent roping which has for many years been a traditional part of the lorry driver's job. Van cargoes are secured more quickly using load retention rails or buckled webbing slings, against hi-jackers and pilferers—is also made simpler with lockable enclosed van bodywork.

Weather protection is an obvious benefit in switching from open platform trailers to large vans. But fixed sides can inhibit unloading procedures, particularly where freight is palletised and multi-drop deliveries are undertaken requiring access to all parts of the load. This requirement has led to the greater use of sliding-door or curtain-sided trailers, where full side access for pallet loading by fork-lift truck is available.

Sliding doors are a well-tried trailer feature. They permit side loading and unloading without the kerbside hazard of large hinged doors. No intermediate posts are necessary and the doors themselves serve to restrain the load laterally. The two main shortcomings of traditional sliding doors are the encroachment on interior width through adjacent doors having to "overlap" and the problem of loads shifting to one side and becoming wedged against the doors.

A solution to both problems

Alan Bunt

Technology adapts to new tasks

Having no interior frame, grp-plywood trailer vans offer greater internal space with legal maximum width of 8 feet 2.5 inches (2.5 m). Two rows of metric pallets can be accommodated as well as being hygienic considerations also boosted the attractiveness of the material. Its smooth surface cannot harbor dirt, perishable material.

Although Tidd has dominated the market for chassisless plywood trailer vans, with big orders from national companies like the subsidiary National Car and Ferrymasters (a P.C.E. company), the potential of this type of construction has been recognised by the national trailer makers, York and CF.

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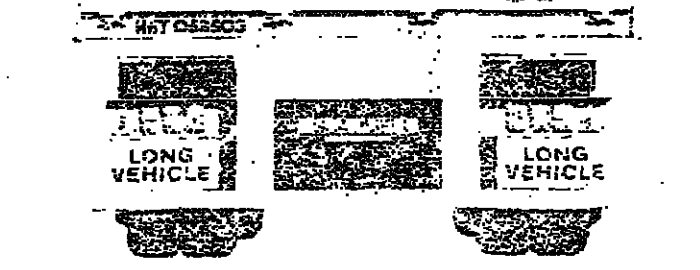
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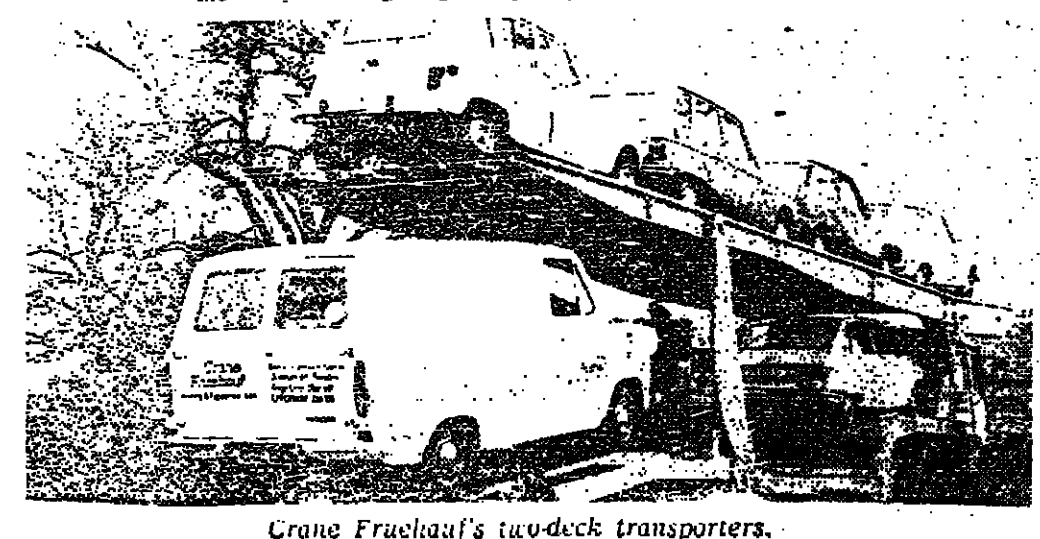
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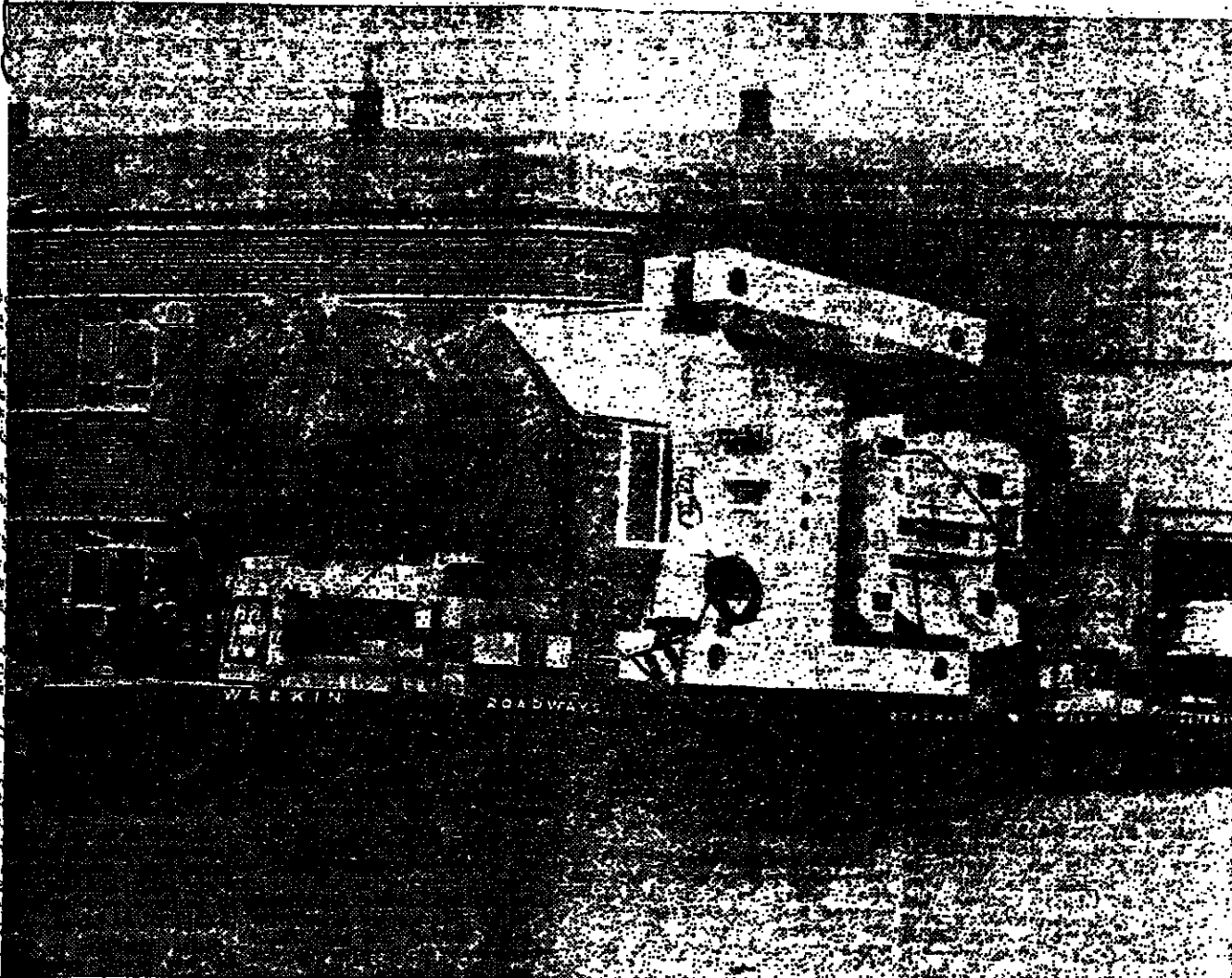


Crane Fruehauf's two-deck transporters.

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TRAILERS V

Joyco 1250



A 12-axle Crane Fruehauf Cometto semi-trailer capable of transporting loads up to 200 tons.

Bright ideas can still pay off

FOR THE WHOLE of the vehicle industry, the most important development of all in recent years was the energy crisis of late 1973. It caused the depression of markets from which they have suffered since, and it also created a need for new energy-saving devices and new business strategies for companies faced with the hard prospect of survival. The way in which the trailer manufacturers have developed new approaches to the market in the past three years shows what a stimulus the crisis has been towards new ideas.

York Trailer, for example, has pioneered two energy-saving devices—the Hobo method of adding some of a trailer's rear wheels and an aerofoil device for deflecting wind pressure at the front of a trailer and getting better aerodynamics.

York claims substantial economies from both systems—the aerofoil can save up to 10 per cent on diesel fuel, and the Hobo roughly 4 per cent—and it has been particularly excited by the response to the Hobo. The idea behind this system is to reduce tyre friction whenever possible by lifting one set of rear tyres free of the road surface when ever possible. Tyre friction is a prime cause of energy consumption, and in many cases, when running empty or with reduced loads, trucks do not need the extra strength given by two sets of rear wheels and two axles. York says it has had a particularly good response to the system from owner-operators, many of whom rarely carry return loads.

York and Crane Fruehauf have also followed a policy of widening their industrial base away from trailer manufacturing proper. It is not widely recognised, for example, that Crane now generates 50 per cent of its group turnover outside the main trailer subsidiary. The other activities include companies looking after containers, cylinders sales, rigid vehicles, service parts finance, trailer rentals and freightage. It also has an Iranian subsidiary.

The clear objective in developing these alternative operations was to give some protection against the swings and cycles of the trailer industry proper.

Performance of the two major trailer companies (£'000)

	1972		1973		1974		1975		1976	
	Sales	Profit	Sales	Profit	Sales	Profit	Sales	Profit	Sales	Profit
Crane Fruehauf	27.2	1.3	28.9	1.7	35.3	2.0	33.7	0.1	47.7	1.5
York Trailer	10.4	1.0	14.3	1.3	18.0	1.3	17.1	0.7	21.2	1.3

In the last two years, for example, service and parts operations have been extremely healthy because customers who were not replacing vehicles have been forced to keep their older trailers on the road. "Our equipment subsidiary has been very busy during the recession," says York, "which is one good reason for continuing our diversification programme."

Expertise

Similarly York's acquisition of Carrimore in County Durham gives it an expertise in hydraulics which it did not previously have—Carrimore was also purchased by a bid from Edbro, another U.K. vehicle hydraulics specialist. The way York has developed in the last few years is towards an integrated structure with a spread of trading activities across the U.K. and overseas, with about half its turnover now coming from exports. The company makes axles and suspensions, for example, which can also be sold to rival concerns, or distributed through its own repair and maintenance network. It makes a variety of products, including tipper vehicles, now using its own hydraulics, so it can offer a range of choice.

Crane's Fishers, the third of the big triumvirate with about 16 per cent of the U.K. market, has followed a different strategy since the depression, choos-

ing to concentrate on more specialised vehicles and maximize turnover from a relatively smaller unit output. With the probability that the company will achieve sales of about £20m in the year to March 1978—not substantially smaller than the £21m turnover of York Trailer last year—this marketing tactic seems to have been justified. The group won a Design Council award last year for its one-man operated low loader system, and has also concentrated on oil field specials and big steel tipper for the Middle East. With these vehicles, and an extra marketing push, it has been able to break successfully into export markets. "In 1975, when sales were bad for everybody, we sent six top executives to the Middle East and Africa," says Mr. Henry Booker, managing director of the group. "We got good orders and doubled our exports in one year."

Flexible

But the specialists argue that in many cases they have better design, born of long experience of the industry, are more flexible in their response to customer requirements, and give a better, more personal service to their customers. These are, of course, the time-honoured arguments of the small manufacturers, which have proved right for some industries and wrong for others.

There is no questioning that the trend in the trailer industry at present is towards size. But equally it is still the sort of industry where the initial capital outlay is not too prohibitive to prevent newcomers with a bright idea getting off the ground; and it is also a business in which there are so many esoteric requirements from the hauliers carrying unusual loads, that it will probably leave some room for the small entrepreneur going his own way.

Doubtful future for smaller concerns

THE PAST 12 months have seen a carefully thought-out marketing policy. In the East End of London, for example, a company called Trailer Systems has established itself within the last three years by spotting the opportunity which suddenly arose for British trailers in export markets. The company is small as yet—it sold only 80 trailers last year—but expansion is on the way with a move to a new plant and orders to build 200 trailers next year.

Export

Established by two experienced trailer industry executives who had worked in both engineering and marketing departments, Trailer Systems is based on the idea of a single-minded pursuit of export markets. At the same time, the company has decided to give a level of personalised service to customers which larger organisations could not achieve: the promise is of virtually tailor-made products. To do this, an unusual method of production has been devised, with men working in small teams of three to five which are all responsible to senior management rather than a foreman, and receive bonuses on output. At present Trailer Systems, order book is 100 per cent for export.

M and G Trailers of Lye in Worcestershire has also achieved healthy exports in the last few years. In these markets, it says, there has been strong concentration on the kind of heavy-duty low-loaders in which it specialises, and it has taken the attitude that quality is of the essence in these markets. What countries like Saudi Arabia, Kenya and Nigeria really want, says John Cartwright, its sales manager, is durable equipment which will withstand very heavy loading. "As long as they don't turn over, the trailers will be loaded up, so we always heat them up a bit," he says.

M and G is a medium-size manufacturer which can make up to 100 trailers a month in a variety of configurations, from low loaders and TIR's to platform and skeletal. It believes it can lay claim to giving a greater measure of personal service than some of the larger companies, and it says that business is coming back quite strongly at the moment. After reducing its workforce to 70 during the 1975 slump, it is now back to 90 and could well do with more, although already working overtime and some weekends. But it is expanding only cautiously at the moment for fear of being over-exposed if the recovery fizzles out.

As long as it remains in a reasonably healthy state, M and G does not have to worry unduly about further rationalisation in the industry, since it is itself part of a larger group, the J and F Dyon company. Freight Bonalack is another company in a similar situation as part of Aican. A specialist in refrigerated vehicles, Freight Bonalack is reckoned to hold about 50 per cent of this sector in the U.K. market. In recent years it has brought a lot of attention to bear on developing demountable systems for its trailers in order to cut turnaround time and prevent waste, and although refrigerated transport has taken a knock during the recession as people modified their eating habits, this sector is beginning to swing back up in line with the general recovery in transport.

Where specialist manufacturers are particularly strong is in spotting the opportunities created by a new technology and pursuing them against all the doubts. The rise of the Tidd Strongbox company during the last six years is a typical demonstration of how this can happen.

Tidd Strongbox was established by Mr. Hector Tidd, at St. Neots in Cambridgeshire, to

take advantage of the material known as grp—a plastic laminated board—which had scarcely been used in the trailer industry in Britain up to the early 1970s. Mr. Tidd comes from a long-established trailer manufacturing family, but he departed from all the traditional production methods to pioneer a system of putting box trailers together from large sheets of the laminated material without using the normal frames and panel structures.

"Originally laminates had been used in shipping containers," he says. "Our inventiveness was not to use it in order to fill in the gaps in the frame, but to see that it had a strength in itself."

Competitive

The new vans, he says, have taken some time to capture the attention of the market. But he claims that the company's prices are competitive, that its costs are low because the method means that it can cut down on workers, and that sales are beginning to take off: last year Tidd made 300 vans in total, but this year it is already scheduled to make 1,000.

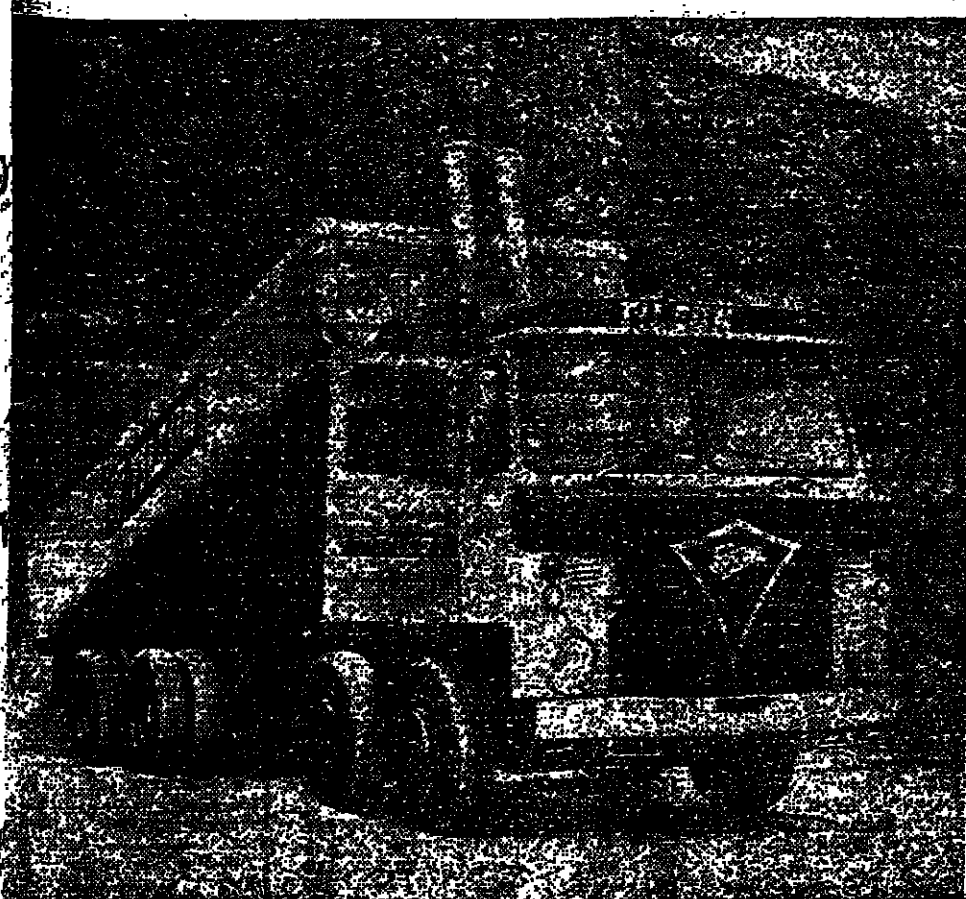
The decision to pursue a one product strategy was, he admits, a "big risk which is now beginning to pay off." Although the larger manufacturers are beginning to show an interest in grp and make some of their own trailers in the material, he believes that he now has the technical knowledge and the volume of production to make a go of the business.

He is also in a sector of the market—box vans—which by common consent is on a long-term growth trend, as hauliers seek the advantages which this kind of construction gives in keeping loads both weather-proof and more secure: box trailers could account for about 2,500 sales in the U.K. this year. The laminated surface, which is smooth and jointless, is also reckoned to be more hygienic than some of its competitors.

The examples of newcomers like Tidd and Trailer Systems indicates the way in which it is still possible for new businesses to establish themselves in trailer manufacturing. Analysts suggest that really positive economies of scale only begin to show through at large volumes, which means that a small manufacturer can sometimes produce just as cheaply. The problem arises in the middle area, as manufacturers build up the burden of investment and heavier overheads without getting the economies available to companies like Crane and York.

One way round that conundrum is to develop new production methods and better productivity than the dominant companies. Another is by exporting. The alternative is, of course, to get a good idea, develop it, and sell out; and several specialists have done that to good effect within the last few years.

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AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Main table containing financial data for various unit trusts and offshore funds, including columns for fund names, managers, and performance metrics.

BASE LENDING RATES table listing interest rates for various banks and financial institutions.

Mercury Fund Managers Ltd. table listing details for various fund managers and their products.

Stewart Unit Trust Managers Ltd. table listing details for various unit trust managers.

Arrow Life Assurance table listing details for various life assurance products.

Equity & Law Life Ass. Soc. Ltd. table listing details for various equity and law life assurance products.

ART GALLERIES table listing information about various art galleries and exhibitions.

Mercury Fund Managers Ltd. table listing details for various fund managers.

Stewart Unit Trust Managers Ltd. table listing details for various unit trust managers.

Arrow Life Assurance table listing details for various life assurance products.

Equity & Law Life Ass. Soc. Ltd. table listing details for various equity and law life assurance products.

CLIVE INVESTMENTS LIMITED advertisement with contact information and investment details.

INSURANCE BASE RATES advertisement listing various insurance products and rates.

INDUSTRIALS (Misc.)

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BRITISH FUNDS

Table of British Funds with columns for Stock, Price, Div. Yield, and various performance metrics.

INTERNATIONAL BANK

Table of International Bank shares with columns for Stock, Price, Div. Yield, and other data.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Stock, Price, Div. Yield, and other data.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Stock, Price, Div. Yield, and other data.

AMERICANS

Table of American stocks with columns for Stock, Price, Div. Yield, and other data.

CANADIANS

Table of Canadian stocks with columns for Stock, Price, Div. Yield, and other data.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase shares with columns for Stock, Price, Div. Yield, and other data.

HIRE PURCHASE, ETC.

Table of Hire Purchase, etc. shares with columns for Stock, Price, Div. Yield, and other data.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits shares with columns for Stock, Price, Div. Yield, and other data.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV shares with columns for Stock, Price, Div. Yield, and other data.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads shares with columns for Stock, Price, Div. Yield, and other data.

BUILDING INDUSTRY - Continued

Table of Building Industry - Continued shares with columns for Stock, Price, Div. Yield, and other data.

DRAPERY AND STORES - Continued

Table of Drapery and Stores - Continued shares with columns for Stock, Price, Div. Yield, and other data.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics shares with columns for Stock, Price, Div. Yield, and other data.

DRAPERY AND STORES

Table of Drapery and Stores shares with columns for Stock, Price, Div. Yield, and other data.

DRAPERY AND STORES - Continued

Table of Drapery and Stores - Continued shares with columns for Stock, Price, Div. Yield, and other data.

ELECTRICAL AND RADIO

Table of Electrical and Radio shares with columns for Stock, Price, Div. Yield, and other data.

ENGINEERING - Continued

Table of Engineering - Continued shares with columns for Stock, Price, Div. Yield, and other data.

ENGINEERING, MACHINE TOOLS

Table of Engineering, Machine Tools shares with columns for Stock, Price, Div. Yield, and other data.

ENGINEERING - Continued

Table of Engineering - Continued shares with columns for Stock, Price, Div. Yield, and other data.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. shares with columns for Stock, Price, Div. Yield, and other data.

HOTELS AND CATERERS

Table of Hotels and Caterers shares with columns for Stock, Price, Div. Yield, and other data.

Main table of Industrial shares with columns for Stock, Price, Div. Yield, and other data.

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100 1:50

INDUSTRIALS - Continued

Table of industrial stocks including companies like British Leyland, Ford, and various engineering firms, with columns for stock price, price change, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks, including companies like British Leyland, Ford, and various engineering firms, with columns for stock price, price change, and volume.

PROPERTY - Continued

Table of property stocks, including companies like British Leyland, Ford, and various engineering firms, with columns for stock price, price change, and volume.

TRUSTS - Continued

Table of trust stocks, including companies like British Leyland, Ford, and various engineering firms, with columns for stock price, price change, and volume.

TRUSTS - Continued

Table of trust stocks, including companies like British Leyland, Ford, and various engineering firms, with columns for stock price, price change, and volume.

Advertisement for DAIWA SECURITIES, International Finance, featuring the company name in large bold letters.

MINES - Continued

Table of mine stocks, including companies like British Leyland, Ford, and various engineering firms, with columns for stock price, price change, and volume.

OVERSEAS TRADERS

Table of overseas trader stocks, including companies like British Leyland, Ford, and various engineering firms, with columns for stock price, price change, and volume.

TEAS

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Commercial Vehicle

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Components

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Garages and Distributors

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NEWSPAPERS, PUBLISHERS

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PAPER, PRINTING, ADVERTISING

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CENTRAL AFRICAN

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AUSTRALIAN

Table of Australian stocks, including companies like British Leyland, Ford, and various engineering firms, with columns for stock price, price change, and volume.

TINN

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MISCELLANEOUS

Table of miscellaneous stocks, including companies like British Leyland, Ford, and various engineering firms, with columns for stock price, price change, and volume.

COPPER

Table of copper stocks, including companies like British Leyland, Ford, and various engineering firms, with columns for stock price, price change, and volume.

NOTES

Notes section containing various financial notes and announcements regarding stock prices and market conditions.

RECENT ISSUES

Table of recent issues, including details on new stock offerings and their terms.

REGIONAL MARKETS

Table of regional markets, showing stock prices and trends in different geographical areas.

Eastern Airlines to decide next year on Airbus

BY ADRIAN DICKS

EASTERN AIRLINES, one of the big U.S. domestic carriers will decide by the middle of next year whether to place orders for up to 50 A-300 European Airbuses...

The airline is to lease four of A-300s for a six-month trial period from December. The decision to lease the aircraft had not been taken lightly...

It will cost Eastern \$5m-\$10m in supporting equipment to put the aircraft into service for the trial period, in addition to the cost of the lease itself...

He told a Press conference here that Eastern Airlines had concluded from an exhaustive series of reviews that the Airbus was "an exceptional aircraft"...

The four Airbuses will be put into service on its Florida flights from New York to Orlando, New York to Palm Beach, and New York to Miami...

Asked why, in view of this endorsement, Eastern Airlines had decided to lease rather than to buy the Airbus, Mr. Borman said that "the long history of past failures of European planes in the U.S. market made it prudent to try out the A-300."

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The precise timing of the statement, which will be given in the House of Commons, has not yet been fixed. But speaking after addressing the national conference of the Amalgamated Union of Engineering Workers in Eastbourne yesterday, Mr. Varley indicated that he would like to clarify the Government's position as soon as possible.

The Government's decision to press ahead with an early statement suggests that it has been impressed by the need for Leyland Cars to get on soon with its currently frozen investment programme.

In effect, if the statement is made before the Whitsun recess on May 27, the Department of Industry and the inter-departmental committee set up to look at the Leyland situation will have had only three weeks to examine the revised plans. These were handed to the DoI at the week-end after the BL draft had been vetted by the National Enterprise Board, BL's majority shareholder.

The broad lines of BL's new proposals, suggesting that the plans for a new Mini and a substantial volume of cars business should be retained, appear to have won the support of Lord Ryder, chairman of the NEB.

Following the recent announcement of the NEB's annual accounts, Lord Ryder spoke of the urgent need for some early decisions on the company's future, and sketched out the possibility of expanding employment if only BL could solve its labour problems.

The DoI is also believed to have swung behind a policy of continuing support for the company as it is, as long as lighter commitments on productivity and good behaviour can be wrung from the unions.

In the next few weeks talks will continue between the DoI and the NEB on the review. These follow a meeting last week between Mr. Varley and Lord Ryder, who is now on holiday.

Arthur Smith adds: A strong warning about the damaging effect the current review of Leyland Cars operations could have on the regional economy has been issued by the West Midlands Economic Planning Council.

In a letter to Mr. Eric Varley, the Industry Secretary, the council points out that British Leyland directly employs more than 80,000 workers and is easily the most important element in the regional economy.

Continued uncertainty about the future of the company would affect morale in industry as a whole, the council says. The letter echoes the concern known to be felt within Leyland Cars about the difficulty of holding the organisation together while the review continues.

Ford takes top four places in sales league, Page 16

Borrowing requirement increases sharply

BY PETER RIDDLELL, Economic Correspondent

THE BORROWING requirement of central government rose sharply last month. This was the result of increased lending to local authorities and the underlying trend of both revenue and expenditure remain favourable.

Lending by central Government to local authorities was \$427m last month compared with \$78m in April a year ago—probably to a large extent because of changes in the distribution of local council debt rather than any significant rise in the total.

This was more than enough to push up the central Government borrowing requirement from \$260m to \$568m on a similar year-on-year comparison.

The Consolidated Fund deficit—reflecting the balance of the main items of revenue and expenditure—narrowed from £289m a year ago to £125m last month.

Since April was the first month of the financial year it is too early to make any projections about the trend for the year, but the rise last month is not surprising.

The rise in central Government lending to local councils represents a complete turn-around from the second half of the last financial year, when councils borrowed in the short-term money market rather than from Whitehall on interest rate grounds.

The recent sharp drop in longer-term interest rates, coupled with caution about the future trend of rates and a desire to lengthen the maturity profile of council borrowings, has evidently led to a reversal of this trend.

Insofar as this rise has represented switching of borrowing, the public sector borrowing requirement will not have been affected. It is, however, too early to assess whether this has occurred.

The Government forecast in the Budget statement a rise in the central Government borrowing requirement from £5,830m in 1976-77 to £6,360m in the current financial year.

Revenue rose 12 per cent last month to \$3,062m, with Inland Revenue receipts 17 per cent higher. This reflects the impact of inflation on tax bands fixed in money terms, the so-called fiscal drag.

Consolidated fund expenditure was 7 per cent higher last month at \$3,190m, reflecting the check on spending applied by the cash limit controls.

These favourable trends have been evident since last autumn and explain why some City analysts believe the public sector borrowing requirement this year could be lower than the projected figure of \$3,470m, allowing some further leeway for a fiscal stimulus.

Mr. Jenkins said: "We have been established in Guardian Royal Exchange for decades. We recently conducted a successful campaign for recognition for the computer operators and the company has agreed to give notice to its creature, the Guardian Royal Exchange Staff Union, to terminate its exclusive bargaining rights and to recognise ASTMS instead of these staff."

Mr. Mills said yesterday he saw no problems in agreeing terms. The staff association would be given considerable autonomy in a NUBE policy-making autonomy in a new insurance grouping within NUBE.

Mr. Jenkins' union has about 70,000 members in finance generally, the bulk of them in insurance.

It claims more than 200 members at the Guardian Royal Exchange and has applied for recognition for bargaining under Section 11 of the Employment Protection Act.

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Verdict on Leyland plans soon

BY TERRY DODSWORTH, Motor Industry Correspondent

MR. ERIC VARLEY, the Industry Secretary, hopes to deliver the Government's verdict on British Leyland's revised business plans within the next three weeks.

The precise timing of the statement, which will be given in the House of Commons, has not yet been fixed. But speaking after addressing the national conference of the Amalgamated Union of Engineering Workers in Eastbourne yesterday, Mr. Varley indicated that he would like to clarify the Government's position as soon as possible.

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Continued uncertainty about the future of the company would affect morale in industry as a whole, the council says. The letter echoes the concern known to be felt within Leyland Cars about the difficulty of holding the organisation together while the review continues.

Ford takes top four places in sales league, Page 16

New Finance Bill change to raise VAT minimum

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT intends to make another alteration to the Finance Bill by agreeing to raise the minimum level at which companies and individuals have to register for VAT, from the present figure of £5,000 in annual turnover to a new level of £7,500.

This will mean an estimated annual loss of revenue of between £5m-£10m, and will allow about 60,000 people and companies at present registered to be de-registered.

The changes, contained in a Government amendment to the Finance Bill tabled yesterday, were agreed with the Liberals as part of the party's working agreement with the Government.

This means that it is assured of approval when it comes before the House during the committee stage of the Bill.

The new level, proposed to come into effect from October 1, was set for debate last night, but was not expected to be reached until to-morrow.

This latest concession to the Opposition came only a day after the Government backed down in the Commons over petrol duty and removal of extra 5p proposed in the Budget.

Pressure has come from both the Liberals and the Conservatives for the VAT threshold to be raised on the grounds that—despite inflation—it has remained unaltered since it was introduced in the 1972 Finance Act.

The Conservatives have put down an amendment to the Finance Bill calling for the minimum figure to be doubled from £5,000 to £10,000 as from September 1.

The Liberals have put down a similar amendment with a figure of £9,600, the exact sum which would reflect the true level to which it should have risen had it kept pace with inflation.

Re-entry

BY PETER RIDDLELL, Economic Correspondent

ONE reason for this has been the Franco-German consortium's insistence on the U.K. making some contribution to past costs as part of the price of re-entry. Britain has declined, but this attitude may change as the industry has urged this for years, Whitehall opinion has been more reluctant.

Meanwhile, wind-tunnel tests of the A-300 have begun, and there have been a new round of discussions about the project with Lufthansa. There had also been fresh talks with British Airways, but "no more and no less" than with other airlines," Mr. Lathiere said.

Michael Donnan, Aerospace Correspondent, writes: Mr. Borman's statement may have significant repercussions. First, it is likely to force U.S. aircraft makers to reconsider their own plans for the future, and stimulate the interest in the aircraft industry. Indeed in particular, which previously has had Eastern as one of its major customers for TriStars, will have to watch the Eastern Airbus tests closely.

Second, it will encourage much greater interest in the aircraft industry by foreign airlines, many of which will not buy anything until it has been given the accolade of U.S. airline acceptance. The have to find alternative buyers.

The Airbus could fall to meet the exacting requirements of the U.S. airline industry will be no further forward in its sales campaign, and be left holding four aircraft which it has paid for itself, and for which it would have to find alternative buyers.

The rise in central Government lending to local councils represents a complete turn-around from the second half of the last financial year, when councils borrowed in the short-term money market rather than from Whitehall on interest rate grounds.

The recent sharp drop in longer-term interest rates, coupled with caution about the future trend of rates and a desire to lengthen the maturity profile of council borrowings, has evidently led to a reversal of this trend.

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These favourable trends have been evident since last autumn and explain why some City analysts believe the public sector borrowing requirement this year could be lower than the projected figure of \$3,470m, allowing some further leeway for a fiscal stimulus.

Union joins battle for insurance recruits

BY NICK GARNETT, LABOUR STAFF

THE BATTLE for union recruits in the finance industry flared again yesterday when the National Union of Bank Employees said it was planning a ban on insurance—an area Mr. Clive Jenkins, of the Association of Scientific, Technical and Managerial Staffs, regards as his own.

The National Union of Bank Employees said talks were well advanced on a merger with the £600-strong Guardian Royal Exchange Staff Union, where ASTMS claims more than 200 members and NUBE has none.

The move would be a coup for NUBE, which has recruited only a few hundred members in the insurance field.

Mr. Jenkins, the general secretary of ASTMS, whose recruiting drive in the banks has been running out of steam, said yesterday the merger talks were a "clear breach" of TUC procedures governing union recruitment. He has asked the TUC to intervene. NUBE only recently rejoined the TUC.

Mr. Leif Mills, NUBE's general secretary, said yesterday proceedings had been flouted. He is clearly delighted to have the chance of securing a foothold in a recruitment area proclaimed by ASTMS as its own.

He said a merger with the Guardian Royal Exchange staff union could be a significant influence in attracting other bank and insurance company staff associations into the NUBE policy-making autonomy in a new insurance grouping within NUBE.

Mr. Jenkins' union has about 70,000 members in finance generally, the bulk of them in insurance.

It claims more than 200 members at the Guardian Royal Exchange and has applied for recognition for bargaining under Section 11 of the Employment Protection Act.

Mr. Jenkins said: "We have been established in Guardian Royal Exchange for decades. We recently conducted a successful campaign for recognition for the computer operators and the company has agreed to give notice to its creature, the Guardian Royal Exchange Staff Union, to terminate its exclusive bargaining rights and to recognise ASTMS instead of these staff."

Weather

BY PETER RIDDLELL, Economic Correspondent

U.K. TO-DAY: CLOUDY with rain, becoming brighter. London, S.E., Cent., S. Cent. N. England, Midlands. Cloudy, a little rain or drizzle, becoming brighter. Max. 15C (59F).

Channel Isles, S.W. England. Cloudy, rain early and late. Max. 14C (57F).

Wales, I. of Man, N. Ireland. Sunny intervals, scattered showers. Max. 13C (55F).

N.W., N.E. England, Lakes. Cloudy with rain early, brighter and showery later. Max. 14C (57F).

Borders, Edinburgh, Dundee, S.W. Scotland, Glasgow, Argyll. Cloudy with rain early, brighter and showery later. Max. 13C (55F).

Aberdeen, Cent. Highlands, Moray Firth, N.E. Scotland. Cloudy, outbreaks of rain. Max. 11C (52F).

Orkney, Shetland. Cloudy, outbreaks of rain. Max. 9C (48F).

Business Centres

Table with columns for City, Day, and Temperature. Includes cities like Alexandria, Amsterdam, Athens, etc.

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THE LEX COLUMN Continental pinc for Unilever

BY PETER RIDDLELL, Economic Correspondent

Last month's annual report from Unilever promised further progress during 1977, but the first quarter figures suggest that this will be modest in earnings terms.

Non-recurring tax charges have knocked \$5m off attributable profits after three months, and the reduction in the Nigerian interests has probably taken out another \$2m, or so net. Yet these special items are not enough to explain an overall fall from \$62.3m to \$51.4m at a time when the U.K. has been picking up sharply.

The clue lies in the earnings figures for NV, which have all but halved to £18.7m. Tax items, including a higher rate in Germany, could explain roughly two-fifths of this fall. In addition, demand on the continent has flattened off noticeably.

Increasing demands on the short term credit markets are, in fact, predicted in a new review by brokers Phillips and Drew which applies a sector flows of funds analysis to the prospects for interest rates and the gilt-edged market.

Within the next week or two the authorities will be making an announcement on the future of the corset, which at present only extends until June; if it were to be extended on the same 1/2 per cent a month basis, the banks would have around 11 per cent of leeway to play with over the next year.

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Unit Trust veto

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